



Phnom Penh Autonomous Port

KINGDOM OF CAMBODIA

NATION RELIGION KING



The 2nd Quarter Report of
2021



Listed Company

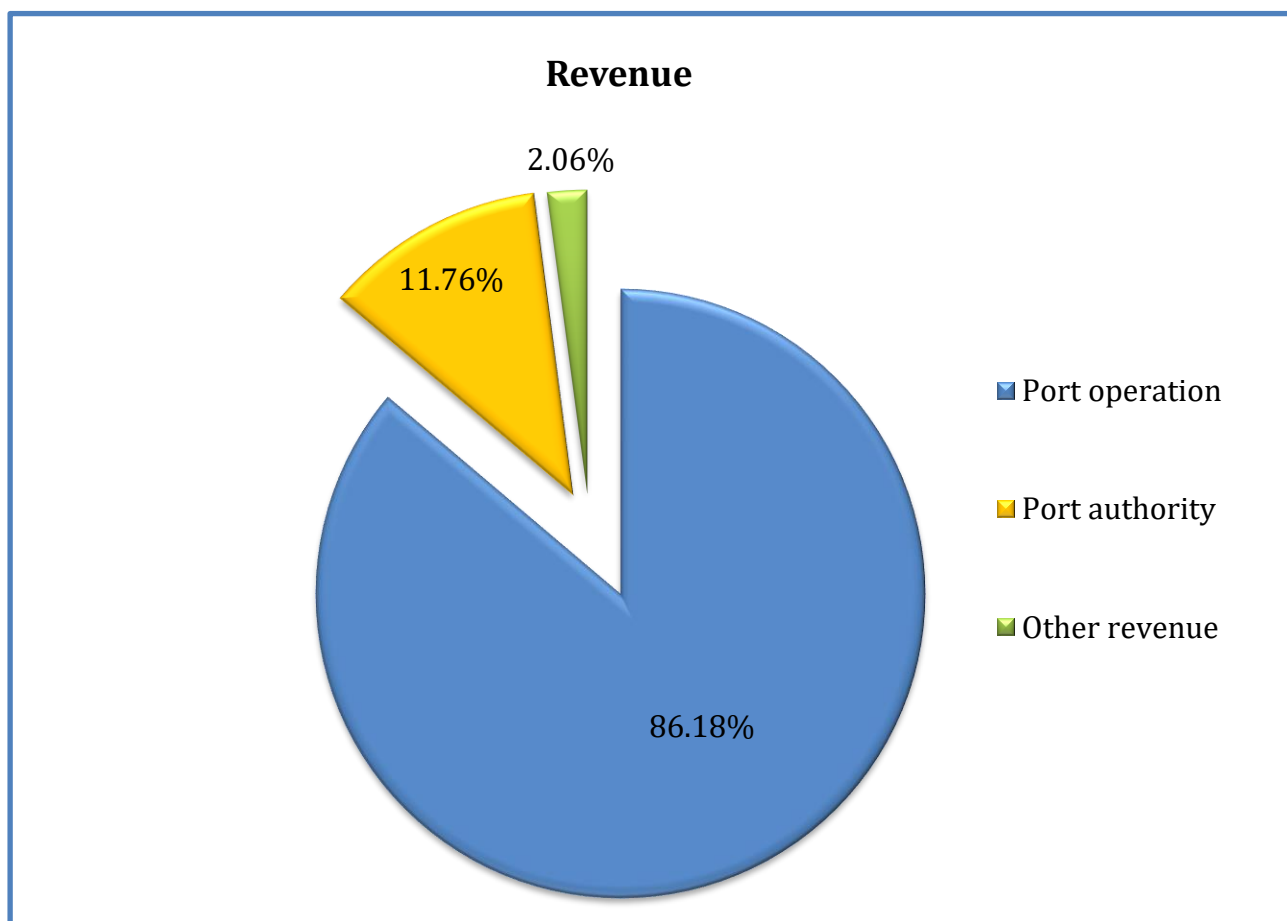
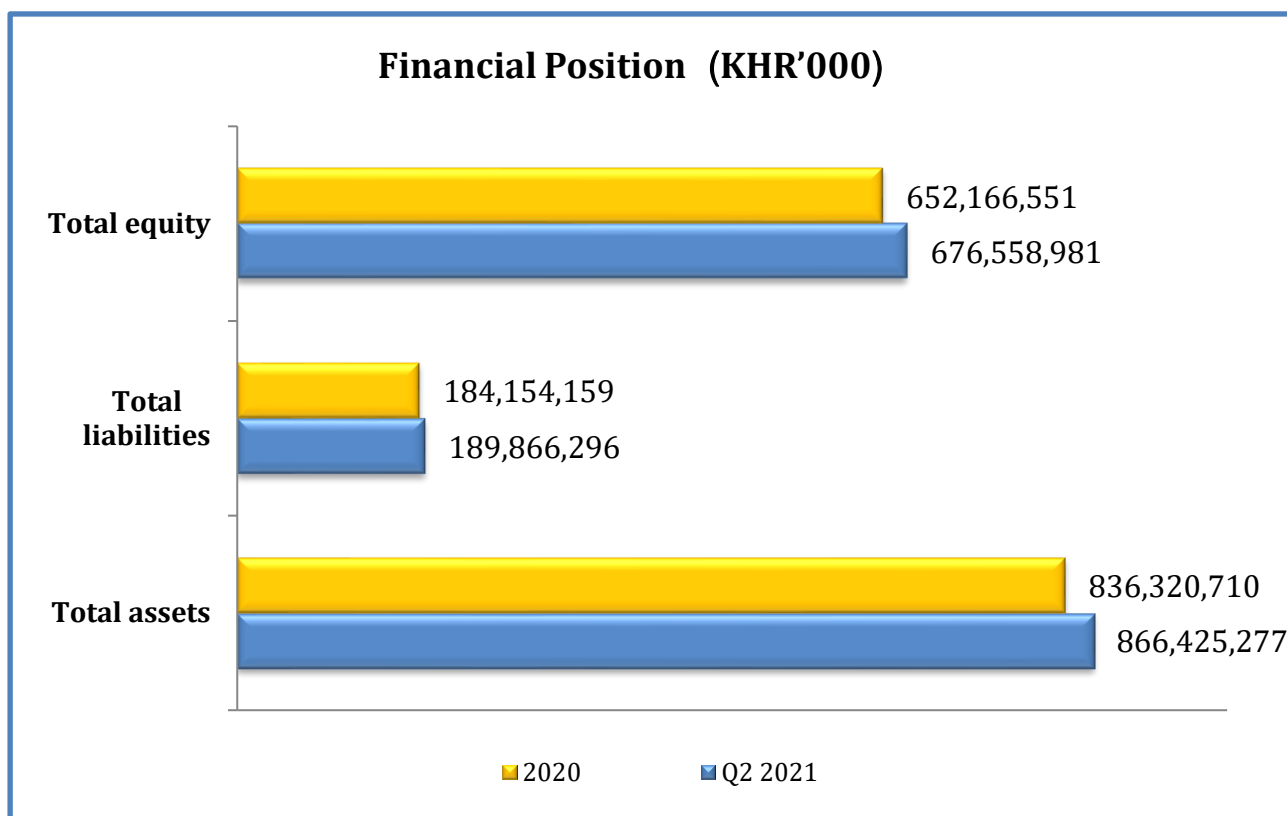
2nd Quarterly Report of 2021
(End of 30/June/2021)
Phnom Penh Autonomous Port

1. Financial Highlight, Graph of Financial Information and Stock Ownership

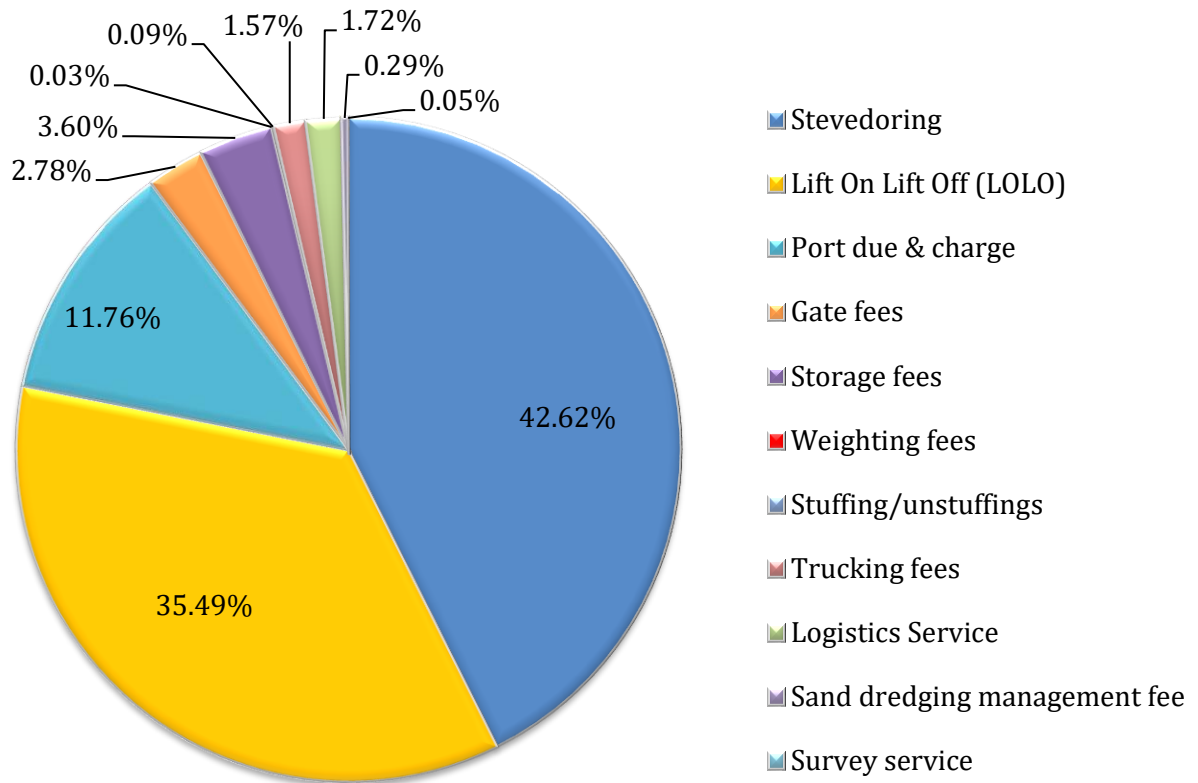
1.1. Financial Highlight

Description		30 June 2021	31 December 2020	31 December 2019
Financial Position (KHR'000)				
Total assets		866,425,277	836,320,710	817,542,948
Total liabilities		189,866,296	184,154,159	198,540,952
Total equity		676,558,981	652,166,551	619,001,996
Profit/(Loss) (KHR'000)		Q2 2021	Q2 2020	Q2 2019
Total revenues		26,966,111	24,034,638	23,603,768
Profit/(Loss) before tax		11,038,235	10,767,963	9,090,610
Profit/(Loss) after tax		8,657,180	8,485,275	6,944,733
Total comprehensive income		8,606,796	8,501,367	7,024,795
Financial Ratios		Q2 2021	31 December 2020	31 December 2019
Solvency ratio (%)		6.20	28.40	30.13
Liquidity ratio	Current ratio (times)	4.40	3.86	4.17
	Quick ratio (times)	4.40	3.86	4.17
		Q2 2021	Q2 2020	Q2 2019
Profitability ratio	Return on assets (%)	0.99	1.03	0.89
	Return on equity (%)	1.27	1.33	1.19
	Gross profit margin (%)	65.52	68.61	64.85
	Profit margin(%)	31.92	35.37	29.76
	Earning per share (Riel)	416.10	411.00	339.62
Interest coverage ratio (times)		13.66	12.10	10.63

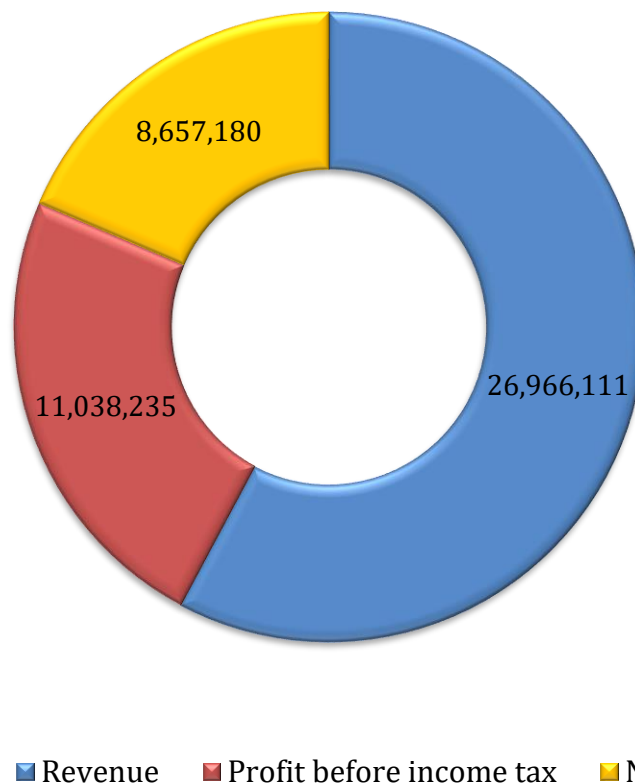
1.2. Graph of Financial Information Highlight (As of 30 June 2021)



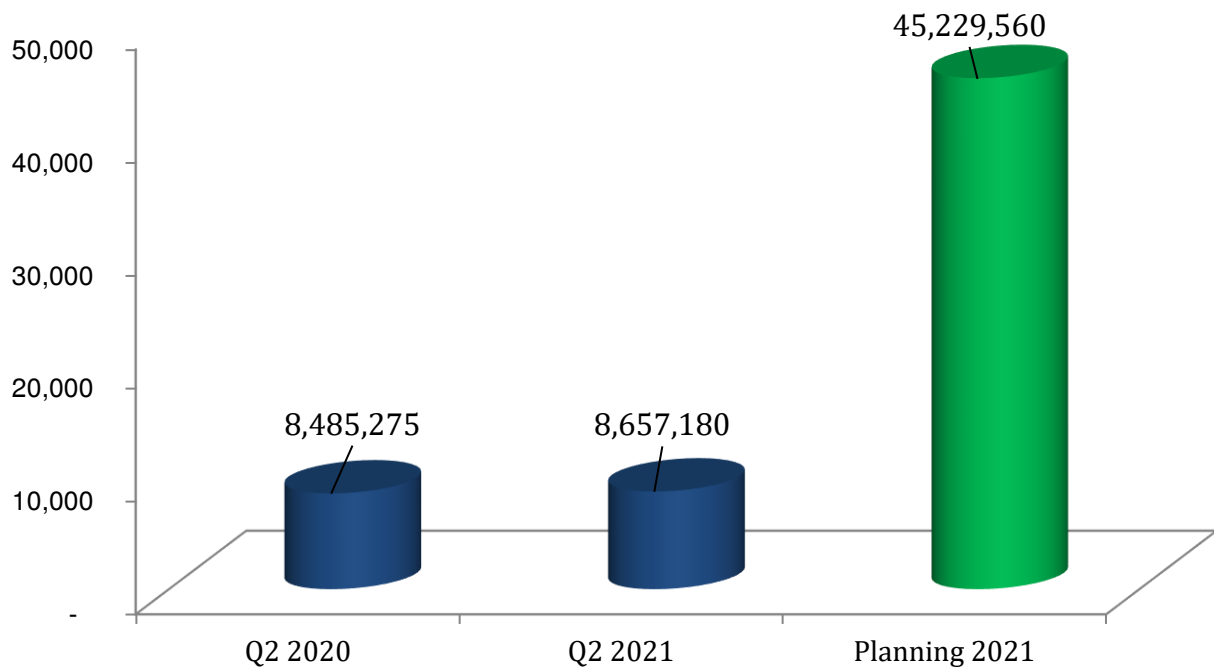
Types of Revenue Distribution Compared to Total Revenues



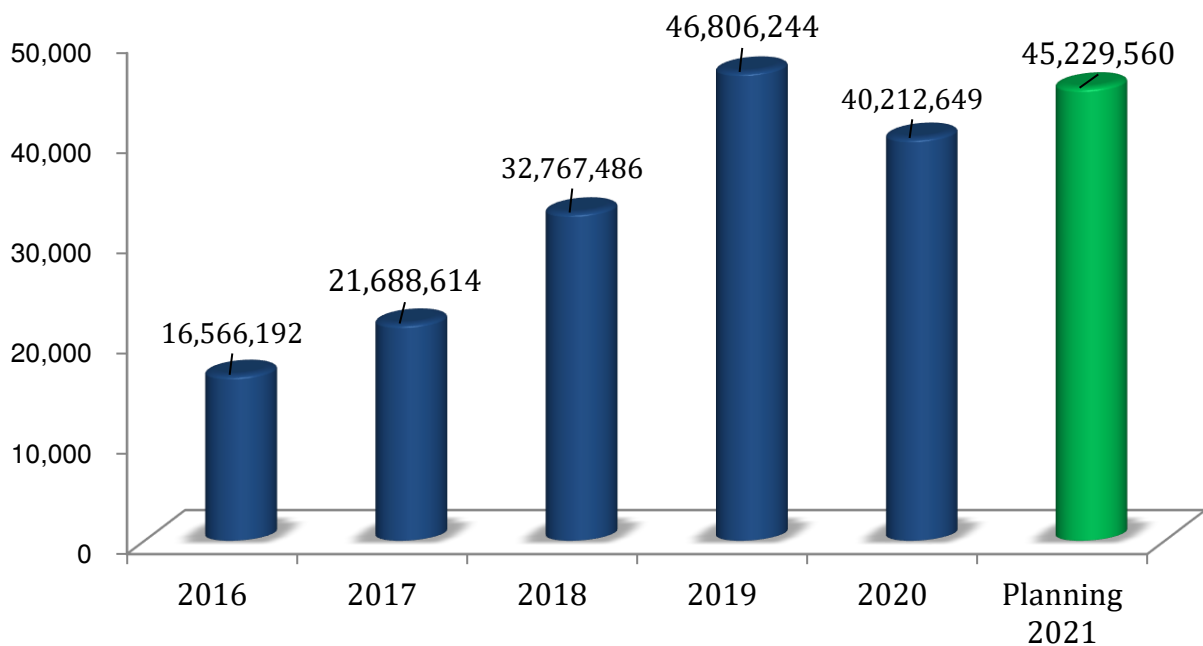
Net Profit for Q2 2021 (KHR'000)



Net Profit for Q2 2021 Compared to Planning 2021 (KHR'000)



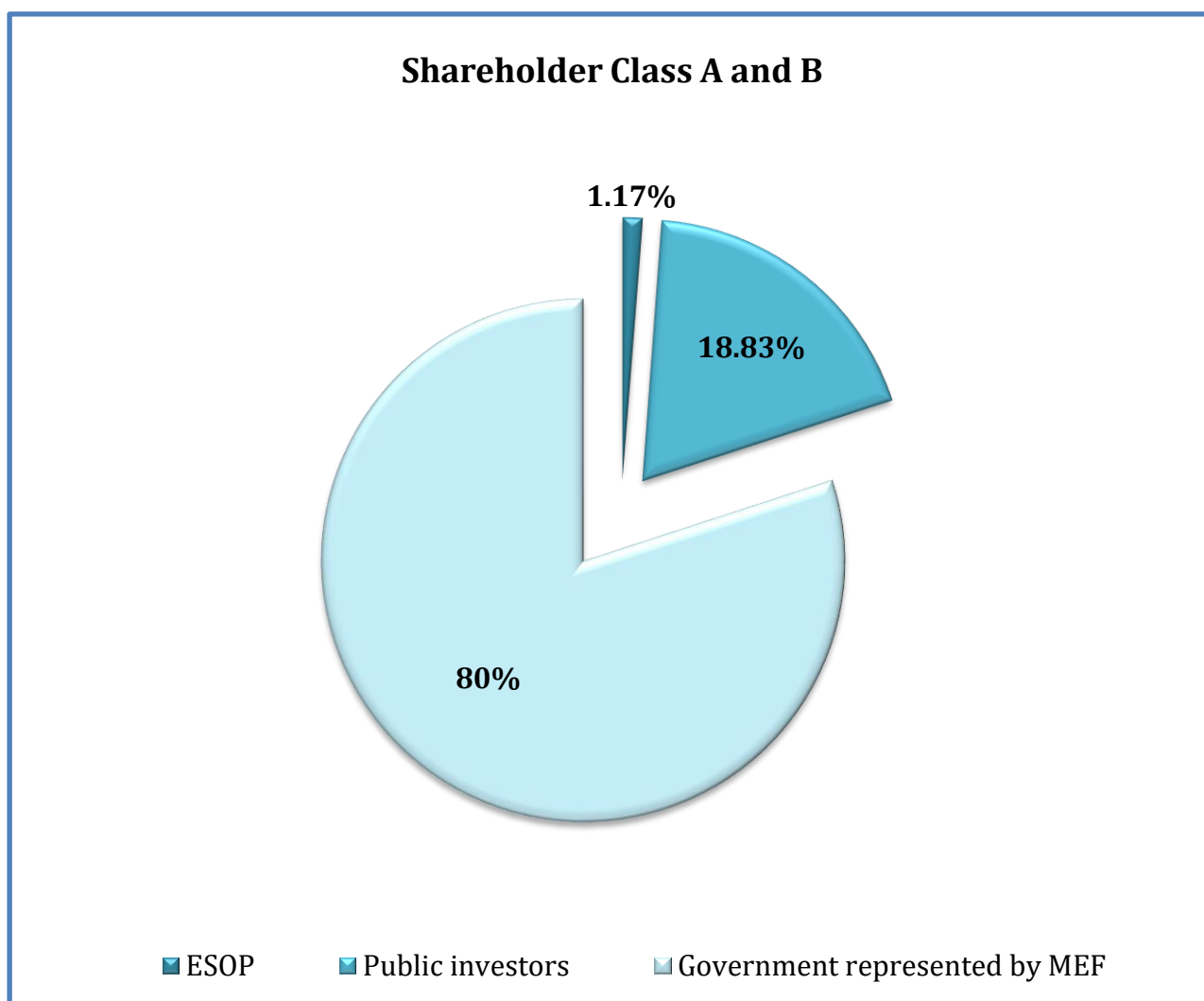
Net Profit from 2016 to 2020 and Planning 2021 (KHR'000)



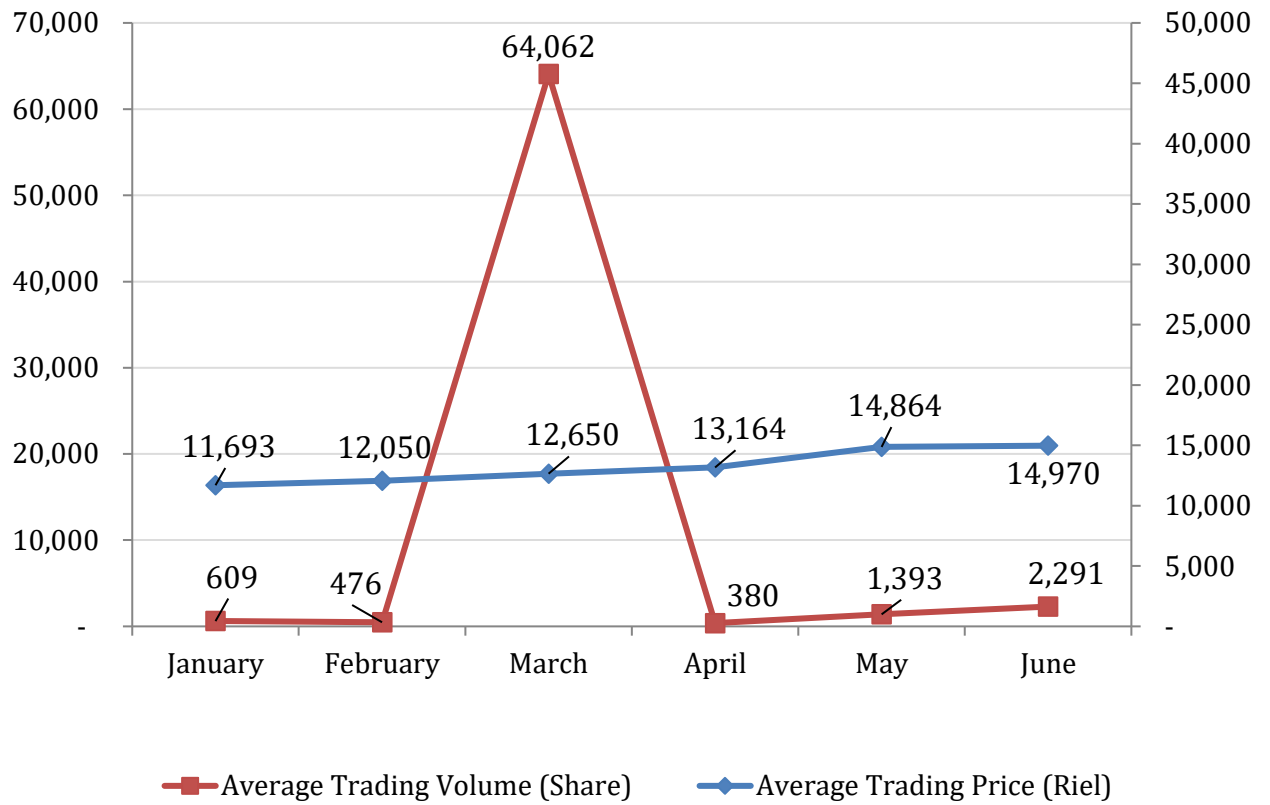
1.3. Stock Ownership (As of 30 June 2021)

Shareholders	Number of Share	Share in Percentage
Class C		
1. Government represented by MEF	93,769,120	100%
Class B		
1. Government represented by MEF	16,547,492	80%
Class A		
1. ESOP	242,974	1,17%
2. Public investors	3,893,899	18,83%
Total Shares of Class A	4,136,873	20%

* Total shares of Class A and B 20,684,365.



Average of Trading Price (Riel) and Average of Trading Volume (Share) of Class A Share



2. Board of Directors



H.E HEI Bavy
Chairman of BOD
And CEO



H.E. Suon Rachana
Member (Rep. of Ministry of
Public Works & Transport)



H.E. Ken Sambath
Member (Rep. of Ministry of
Economy & Finance)



H.E. Penn Sovicheat
Member (Rep. of Ministry of
Commerce)



Mr. Gui Anvanith
Member (Independent
Director)



Mr. Dith Sochal
Member (Non-Executive
Director, Rep. of Private
Shareholders)






Mr. Yim Choeurn
Member (Rep. of PPAP
Employees)

3. Message from Chairman and CEO

For the second quarter of 2021, total revenue is KHR 26,966,111,000 (USD 6,629,941) achieved 22.87% of planning 2021 and compared to the second quarter 2020 increased by KHR 2,931,473,000 (USD 752,179) or 12.20%. However, net profit in the second quarter of 2021 is KHR 8,657,180,000 (USD 2,127,346) reached 19.14% of planning 2021 and compared to second quarter of 2020 increased by KHR 171,905,000 (USD 52,170) or 2.03%. Apart from this, basic earnings per share in second quarter of 2021 is 416.10 Riels (USD 0.10).

The above achievement because of PPAP has paid the attention in providing the service of port operation with transparency and efficiency in responding confidently to the needs of customers. In fact, PPAP has utilized all the mechanisms by strengthening the service quality, expanding storage capacity, infrastructure development, work of Topo Hydrographic, and installing the new machineries and facilities.

A. The Direction of main work implementation of PPAP

-  Continue to implement the action plans as planned.
-  Ensure the quality, price, transparency, efficiency and prompt delivery of services to customers
-  Expand widely the existing businesses and services and create more services related to the port and logistics sectors
-  Strengthen the capacity development of institutions and staffs to respond to the organizational development in line with globalization and efficient delivery of services
-  Strengthen the cooperation of the strategic partnership with the domestic ports and other ports in the world
-  Work hard and continue to focus on the modernization of the port operations in accordance with standards and technology
-  Increase the competitive advantages to be honest with domestic and oversea ports
-  Bring port service to get closer to consumers.
-  Participate in the social activities and the local community.

B. The Work Implementation of Board of Directors (BoD)

For the 2nd Quarter of 2021, the Board of Directors attended an online meetings and achieved the following results:

i. The 10th meeting of the 7th mandate on April 29th, 2021

- Reviewed and discussed on the request for cooperation with the private company on the development of PPAP's sub-terminals: case of the development of TS11 Multi-Purpose Sub-Terminal at KM6
- Reviewed and approved on the management of all PPAP's sub-terminals to be managed by Deputy Director General of Business/Operation
- Acknowledged the progress of the expansion of LM17 Container Terminal, Phase 3, Step 1.

C. Setting the Goal for 2021

The future version of PPAP will be set the goal for the following implementation:

- Strengthen the human resource development
- Enhance the establishment of logistics center, modern warehouse and cold warehouse
- Enhance the establishment of supporting areas for port
- Enhance the establishment of barge operators to other hub ports beside Cai Mep
- Enhance the import of second hand cargoes through PPAP
- Continue to focus on the installation of the modern facilities to strengthen the capacity of handling equipment at Container Terminal LM17
- Improve the capacity of handling of the bulk cargoes and establish the terminal for the bulk cargoes
- Modernize and expand the Passenger and Tourist Terminal (TS3 and TS1)
- Enhance the establishment of multi-purposed terminal along the rivers
- Strengthen the capacity of handling of agricultural products along the terminals of the provinces located in upper Mekong River
- Maintain the navigation and dredge the Sdao Canal to facilitate the transportation of cargoes between the northeastern provinces and Phnom Penh via Mekong River and the Cambodia-Vietnam border
- Continue to promote the service of inland transportation of container between Container Terminal LM17 of PPAP and the customers' factories/ warehouses or vice-versa
- Continue to promote package services for cold fruit export via Container Terminal LM17 of PPAP.

PPAP do believes and strongly stands to implement the daily work and the operation along the other terminals to be transparency and effective in order to improve confidence and attractiveness of port services with the modernization and standardization to the customers.

PPAP would like to express sincere thanks to the two supervised ministries, Ministry of Public Works and Transport and Ministry of Economics and Finance, as well as Security and Exchange Commission of Cambodia and the shareholders who provide the trust and strong support to PPAP.

Phnom Penh, 12th August 2021
Chairman of BOD and CEO

Hei Bavy

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PART 1

GENERAL INFORMATION OF PPAP


A. Identity of PPAP

Name of the listed entity in Khmer : កំពង់ផែស្វយ័តភ្នំពេញ (ក. ស. ភ.)

In Latin : PHNOM PENH AUTONOMOUS PORT (PPAP)

 **Standard Code** : KH1000040001

 **Address** : #649, Preah Sisowath Street, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh

 **Phone Number** : +855 (0)23 427 802 **Fax** : +855 (0)23 427 802

 **Website** : www.ppap.com.kh **Email** : ppapmpwt@online.com.kh

 **Company registration number**: CO.7175 Et/2004

Date: November 23rd, 2004

 **License number**: 0014 ពណ.ចបព **Issued by**: Ministry of Commerce

Date : January 5th, 2015

 **Disclosure Document registration number issued by SECC**: 074/15/SECC

 **Representative of the listed entity**: H.E HEI Bavy

B. Nature of Business

Phnom Penh Autonomous Port (PPAP) is one of the two international ports in Cambodia. Functioning as Port Operator and Port Authority, PPAP is now providing a varieties of main port services and other relevant services.

1. Operation as Port Operator

As a port operator, PPAP has provided main services such as :

- stevedoring, storage, stuffing/unstuffing, loading/unloading, and transporting the containerized cargoes for the export and import
- services of pilotage, tug assistance, mooring/ unmooring
- berthing within Passenger and Tourist Terminal (TS1)

2. Operation as Port Authority

As the port authority, PPAP has the roles to :

- maintain navigation channels, installation of aids to navigation such as buoys and landmarks and protection of environment within its commercial zone.
- ensure the enforcement of rules and regulations related to port and water transport.

3. Other Services

Within the main services on Port Operation and Port Authority, PPAP also provides other services / businesses that can generate additional revenue such as :

- Dredging service : PPAP has 2 dredging machines for providing the sand from dredging to customers.

- Sand management service: According to Prakas No 001 and 002 dated on the 10th of April, 2015, of Ministry of Mines and Energy, PPAP may use the sand from dredging for commercial purposes.
- Surveying and installing bouy: PPAP has the services of surveying and installing bouy according to customer needs.
- Container maintainance and repair service: PPAP has the service of container maintainance and repair according to customer needs.
- Besides the main services, PPAP also receives the additional incomes from the use of asset such as the rental of building, land and other assets.

4. Port Commercial Zone

According to Sub-Decree No. 01 ANK. BK. the of 5th January, 2009, PPAP's Commercial Zone is 166 kilometers long, stretching from Chaktumuk river : Mekong luer river 100km, Mekong krom river 60 km, and Tonle Sap river 6km. As an authority within the zone, PPAP oversees the private terminals including petroleum/gas terminals and other general cargo terminals. PPAP also manage and operate our 6 main terminals such as :

4.1. Container Terminal LM17

By the first 6 months of 2021, PPAP has completed the development of port infrastructure at container terminal LM17 for Step III, phase I; meanwhile in order to support the operation of the above achievement, PPAP is continuing to develop a new quay to install two additional FCCs, and set up an electricity connection. The overall phase III development will expand its container capacity of 200,000 TEUs more per year. Therefore, The container yard capacity at LM17 will reach 500,000 TEUs per year after the completion of the above project. Currently, PPAP is operating at this terminal as the main terminal for container cargo. The Container Terminal LM17 exists a quay with a length of 300m and a width of 22m and installs 4 traveling cargo cranes, 12 RTG cranes, 5 Reach Stakers, 4 Sky Stackers, and 54 Trucks.

Address	Kandal Leu Village, Banteay Deak Commune, Kean Svay District, Kandal Province
Terminal location	Located at the right bank of the Mekong River and 25km downstream from the intersection of the Chaktomuk River (11°28'23.6"N and105°08'49.8"E)
Total land size	379,173 m²
Registered land size	378,367 m²
Size of the processing land title	806 m²
Berth	3 (5,000 DWT)

Anchorage	Between 8.0m and 17.0m in depth, anchorage is available at 11°28'28.14"N and 105°9'2.32"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.2m to +0.45m between February and April (as of December 2015)
Permitted draft	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for vessels proceeding to LM17 depends on them being able to cross the bar at Cua Tieu)
Hours of Operation	24 hours/day
Handling equipment	Traveling Cargo Crane, Rubber Tyred Gantry, Reach Stacker Constacker & Sky Stacker.

4.2. Multipurpose Terminal (TS3)

Multipurpose Terminal (TS3) was PPAP's main port for general and container cargoes. Due to TS3 Terminal's limited capacity to accommodate the continual growth of container traffic, PPAP has invested in developing a new container terminal (LM17). Since the completion of LM17, TS3 has been converted into a multipurpose terminal. While it mainly handles general cargoes, it also serves as a passenger terminal. Currently, PPAP is renovating this terminal to be an international passenger cruises and tourist terminal.

Address	#649, Preah Sisowath Street, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh
Terminal location	Located at the right bank of Tonle Sap, 3.2km from the intersection of the Chaktomuk River (11°34'59.68"N and 104°55'17.41"E)
Actual land size	48,438.76 m ²
Register land size*	32,854 m ²
Berth	3 (5,000 DWT)
Anchorage	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.1m to +0.35m between February and April (as of December 2015)
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS3 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	24 hours/day
Handling equipment	Mobile crane, Crawler crane, and Floating crane

Note: * The difference between registered land size and actual land size is because part of the land adjacent to the street and river bank cannot receive the ownership.

4.3. Sub-feeder Multipurpose Terminal UM2

PPAP has signed the agreement on October 22nd, 2012 with Meing Ly Heng Investment In order to cooperate and develop Tonle Bet Terminal. This agreement lasts for 20 years starting from October 22nd, 2012 until October 21st, 2032. According to the agreement, PPAP is responsible for stevedoring service while the private partner will be responsible for providing the storage facility. The revenues are charged separately based on the services provided by each entity. The terminal was constructed with a vision of it becoming a consolidation center for agricultural products and to encourage their inland waterway transport. Currently, cassava is the main product being exported via Subfeeder Multipurpose Terminal UM2.

Address	Doun Mau Leu Village, Tonle Bet commune, Thbong Khmom district, Thbong Khmom province
Terminal location	Located at the left bank of the Mekong River and 103km upstream from the intersection of the Chaktomuk River (11°57'47.73"N and 105°28'33.13"E)
Land Size	Small size, river shore berth of 100m (with the pontoon, mobile crane and conveyer installed)
Berth	1 (a floating pontoon with a size of 15m x 42m)
Anchorage	Between 6m to 20m in depth, anchorage is available at 11°58'43.41"N and 105°28'9.58"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	None
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to UM2 depends on being able to cross the bar at Cua Tieu)
Channel depth	Draft of 4.5m during the dry season; subject to regular maintenance from the intersection of the Chaktomuk River to Kampong Cham via the Sdao Channel (3.5km long and 60m wide)
Hours of Operation	7 days/24rs
Handling equipment	Mobile crane, Floating crane, Conveyer

4.4. Passenger & Tourist Terminal (TS1)

TS1 is the main passenger terminal for PPAP. From TS1, people can travel to many domestic ports in other provinces as well as Vietnam. . In the 2nd Quarter of 2020, the total of 1,463 passengers transited at TS1. The figure includes all passenger travels from Phnom Penh to domestic ports, Phnom Penh to Vietnam, and tours of the Mekong River near Phnom Penh.

Address	Preah Sisowath (Street 1), Sangkat Daun Penh, Khan Daun Penh, Phnom Penh
Terminal location	Located at the right bank of Tonle Sap and approximately 2km from conjunction of the Chaktomuk quarter (11°34'32.45"N and 104°55'36.88"E)
Actual land size	6,676 square meters
Registered land size*	1,699 square meters
Berth	2
Anchorage	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.1m to 0.35m between February and April (as of December 2015)
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS3 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	24 hours/day
Facilities	Two pontoons and a bridge connecting them to the shore.

Note: * The difference between registered land size and actual land size is because part of the land adjacent to the street and river bank cannot receive the ownership

4.5. Sub-Feeder Multipurpose Terminal TS11 (KM6)

Sub-feeder multipurpose terminal TS11 (KM6) is located along the NR5, in Kilometer 6 commune, Russey Keo District, Phnom Penh, which is about 6.6 kilometers long or a 20mn drive from the city center Wat Phnom. It is the strategic area to distribute and collect goods between manufacturers and consumers because it is located nearby the downtown of Phnom Penh city. The development of this terminal will reduce the traffic jam in Phnom Penh City. Anyway, The multipurpose terminal TS3 can not be fully operated as it is located in the city center, which is restricted the container trucks to enter the city during the daytime.

Therefore, in order to promote inland waterway transport as well as to provide Door to Door service, the development of Sub-feeder multipurpose terminal TS11(KM6) is really significant to connect the flow of goods from other provinces for multiple choices with lower prices.

Address	Located along the NR5, Kilometer 6 commune, Russey Keo District, Phnom Penh.
Terminal location	Located along Tonle Sap river and approximately 3km from conjunction of the Chaktomuk quarter (11°37'34.6"N and 104°54'29.4"E)
Actual land size	12,533 square meters
Anchorage	The anchorage is available at two locations: -First Location is available at 11°34'26.6"N and 104°55'50.4"E -Second location is available at 11°33'39.9"N and 104°56'50.7"E Located at the conjunction of Chaktomuk quarter because the riverbed of TS11 is narrow that is difficult for anchorage.
Hours of Operation	7days/24hrs
Facilities	Mobile crane and Floating crane

4.6. Sub-Feeder Multipurpose Terminal Koh Roka

Sub-feeder multi-purpose terminal Koh Roka is located in Koh Roka commune, Peam Chor District, Prey Veng Province, in the southern part of Cambodia and it is about 3 kilometers away from Vietnam Border, Dong Thap province. It is a potential terminal for Cambodian people to export agricultural products to Vietnam and import raw material and construction materials. Moreover, this terminal will create more opportunities to boost and connect the tourism sector between the two countries. At the moment, This terminal has already finished the sand filling for the container yard, yet the machinery is being equipped and installed, infrastructure for operation is being developed.

Therefore, the acceleration to develop sub-feeder multipurpose terminal Koh Roka will be benefited to the two people of two countries by import-export products and goods, as well as the connection waterway transportation to export to global market efficiently, especially to lower the logistics cost and reduce the impact of land transport.

At the present time, Sub-feeder multi-purpose terminal Koh Roka has finished the development of the container yard, which is planned to be used for general cargo operation until there is a need for container cargo operation in the next step. PPAP has been constructing 2 conveyors to facilitate the flow of import-export which is planned to be used step by step by the end of 2021.

Address	Koh Roka commune, Peam Chor District, Prey Veng Province.
Terminal location	Located at eastern bank of the Lower Mekong river and approximately 103km from conjunction of the Chaktomuk quarter (10°55'40.5"N and 105°11'30.6"E)
Total land size	115,560 square meters
Registered land size	105,192 square meters
Size of the processing land title	10,386 square meters
Anchorage	The anchorage is available at two locations: -First Location is available at 10°56'01.9"N and 105°11'17.6"E -Second location is available at 10°55'10.1"N and 105°11'24.4"E
Hours of Operation	7days/24hrs
Facilities	Mobile crane, Floating crane and Conveyor

C. Quarter's Key Events

As of 2nd Quarter of 2021, there has no any quarter's key events.

Part 2

Information on Bussiness Operation Performance

A. The results of the business operations, including partial business information for the second quarter of 2020

1. Catalog of Passenger Goods

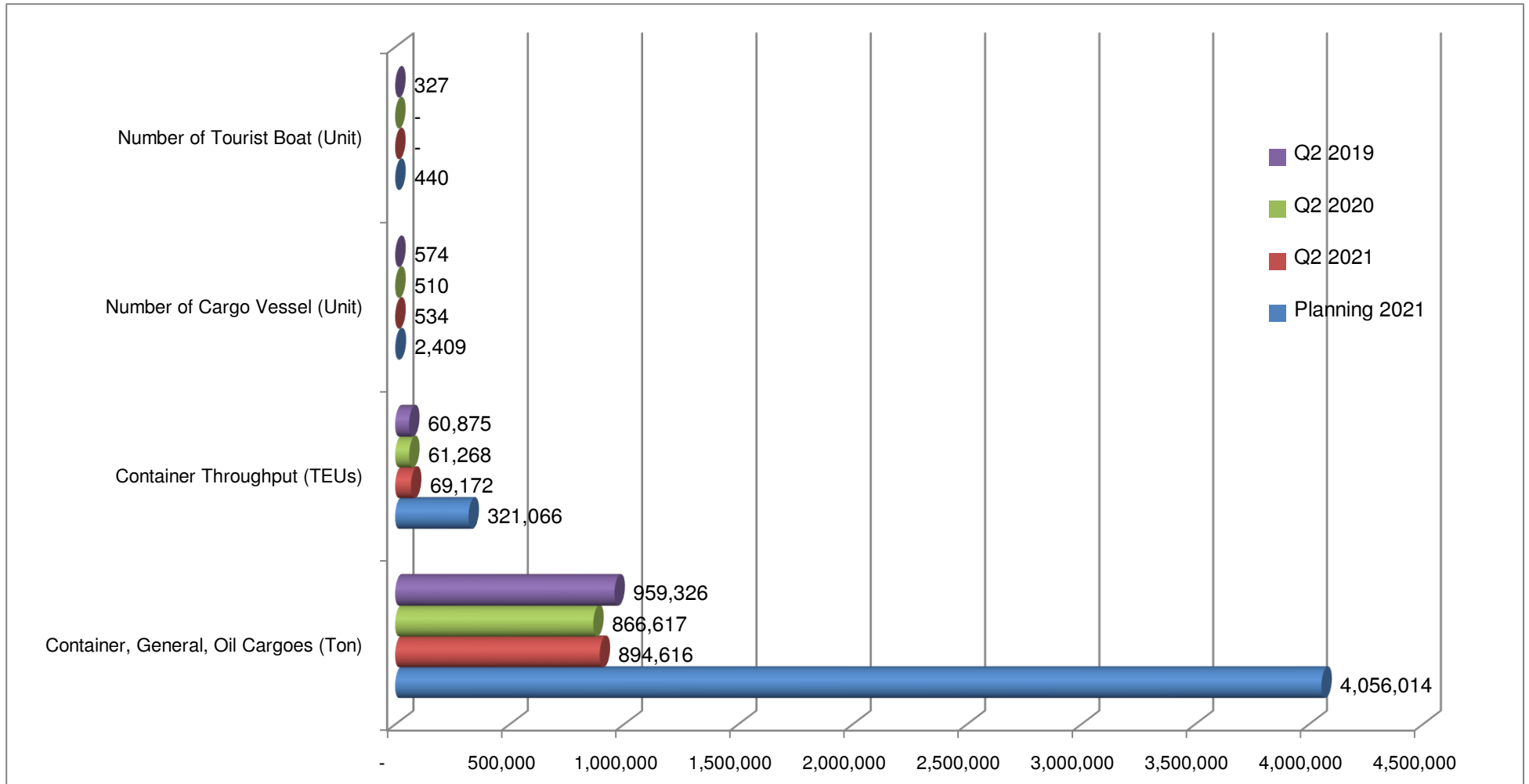
No.	Description	Unit	Planning 2021	Q2			1 st semester		Compare (%)	Up / Down (%)	
				2021	2020	2019	2021	2020		8=(2/3)-100%	9=(3/4)-100%
A	B	C	1	2	3	4	5	6	7=(5/1)	8=(2/3)-100%	9=(3/4)-100%
I	<u>Container, General, Oil Cargoes</u>	<u>Ton</u>	<u>4,056,014</u>	<u>894,616</u>	<u>866,617</u>	<u>959,326</u>	<u>1,937,929</u>	<u>1,796,640</u>	47.78%	+3.23%	-9.66%
	A- <u>Container Throughput</u>	-	<u>2,304,440</u>	<u>467,863</u>	<u>484,084</u>	<u>498,249</u>	<u>958,304</u>	<u>976,873</u>	41.59%	-3.35%	-2.84%
	- Imported Container Cargo	-	1,497,886	281,897	356,268	348,568	562,629	660,046			
	- Exported Container Cargo	-	806,554	185,966	127,816	149,681	395,675	316,827			
	B - <u>Mobile General Cargo Handling</u>	-	<u>885,868</u>	<u>191,412</u>	<u>165,480</u>	<u>192,436</u>	<u>460,797</u>	<u>380,288</u>	52.02%	+15.67%	-14.01%
	- Inside Port	-	70,869	13,772	8,214	15,331	30,251	19,366			
	- Outside Port	-	814,999	177,640	157,266	177,105	430,546	360,921			
	C - <u>Imported Oil & Gas</u>	-	<u>865,706</u>	<u>235,342</u>	<u>217,054</u>	<u>268,641</u>	<u>518,828</u>	<u>439,480</u>	59.93%	+8.43%	-19.20%
	<u>Container Throughput (TEUs)</u>	<u>TEU</u>	<u>321,066</u>	<u>69,172</u>	<u>61,268</u>	<u>60,875</u>	<u>147,283</u>	<u>135,601</u>	45.87%	+12.90%	+0.65%
	- Laden Cargo	-	234,378	50,386	47,594	45,376	109,720	99,545			
	- Empty Cargo	-	86,688	18,786	13,674	15,499	37,563	36,056			
II	<u>Cargo Handling</u>	<u>Ton</u>	<u>3,190,308</u>	<u>659,274</u>	<u>649,564</u>	<u>690,685</u>	<u>1,419,101</u>	<u>1,357,161</u>	44.48%	+1.49%	-5.95%
	- General Cargo	-	885,868	191,412	165,480	192,436	460,797	380,288			
	- Container Throughput (Ton)	-	2,304,440	467,862	484,084	498,249	958,304	976,873			
III	<u>Number of Cargo Vessel</u>	<u>Unit</u>	<u>2,409</u>	<u>534</u>	<u>510</u>	<u>574</u>	<u>1,144</u>	<u>1,135</u>	47.49%	+4.71%	-11.15%
	- Foreign Vessels and Barge	-	1,802	396	375	372	841	849			

No.	Description	Unit	Planning 2021	Q2			1 st semester		Compare %	Up/Down %	
				2021	2020	2019	2021	2020		8=(2/3)-100%	9=(3/4)-100%
A	B	C	1	2	3	4	5	6	7=(5/1)	8=(2/3)-100%	9=(3/4)-100%
	- Cambodian Vessels and Barge	-	10	-	-	12	-	-			
	- Oil Vessels and Tanker	-	597	138	135	190	303	286			
IV	<u>Number of Local Passenger Boat (In-Out)</u>	<u>Unit</u>	<u>1,898</u>	<u>344</u>	<u>326</u>	<u>390</u>	<u>776</u>	<u>896</u>	40.89%	+5.52%	-16.41%
	- PhnomPenh-SeimReap-PhnomPenh	-	10	-	-	-	-	-			
	- Vessels in Town	-	1,888	344	326	390	776	896			
V	<u>Number of Local Passenger (In-Out)</u>	<u>Passenger</u>	<u>10,508</u>	<u>1,463</u>	<u>1,710</u>	<u>2,304</u>	<u>7,048</u>	<u>3,632</u>	67.07%	-14.44%	-25.78%
	- PhnomPenh-SeimReap-PhnomPenh	-	200	-	-	-	-	-			
	- Vessels in Town	-	10,308	1,463	1,710	2,304	7,048	3,632			
VI	<u>Number of Foreign Passenger and Tourist Boat (In-Out)</u>	<u>ជើង</u>	<u>440</u>	<u>:</u>	<u>:</u>	<u>327</u>	<u>:</u>	<u>692</u>	0.00%	0.00%	-100.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	264	-	-	241	-	440			
	- Cruise Boat	-	176	-	-	86	-	252	0.00%	0.00%	-100.00%
VII	<u>Number of Foreign Passenger and Tourist (In-Out)</u>	<u>នាក់</u>	<u>14,667</u>	<u>:</u>	<u>:</u>	<u>5,996</u>	<u>:</u>	<u>18,334</u>	0.00%	0.00%	-100.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	6,881	-	-	2,758	-	8,601			
	- Tourist on Cruise Boat	-	7,786	-	-	3,238	-	9,733	0.00%	0.00%	-100.00%

(Source from the Report of Department of Planning/Marketing of PPAP)

- 🇰🇲 Cargo-fuel and gas throughput in Q2 2021: 894,616 Tons, increased by 3.23% compared to Q2 2020 (866,617 Tons). For Semester 1 of 2021, PPAP has accomplished 47,78% compared to planning 2021 (4,056,014 Tons).
- 🇰🇲 Cargo vessels throughput in Q2 2021: 534 Units, increased by 4.71% compared to Q2 2020 (510 Units). For Semester 1 of 2021, PPAP has accomplished 47,49% compared to planning 2021 (2,409 Units).
- 🇰🇲 International passengers and tourist cruises throughput via Cambodia-Vietnam in Q2 2021: 0 Voyages, equal 0.00% compared to Q2 2020 (0 Voyages). For Semester 1 of 2021, PPAP has accomplished 0.00% compared to planning 2021 (440 Units).
- 🇰🇲 Containers throughput in Q2 2021: 69,172 TEUs, increased by 12.90% compared to Q2 2020 (61,268 TEUs). For Semester 1 of 2021, PPAP has accomplished 45,87% compared to planning 2021 (321,066 TEUs).
- 🇰🇲 The number of international passengers and tourists throughput via Cambodia-Vietnam in Q2 2021: 0 Passengers, equal 0.00% compared to Q2 2020 (0 Passengers). For Semester 1 of 2021, PPAP has accomplished 0,00% compared to planning 2021(14,667 Passengers).

Graphs on performance comparisons of the second quarter of 20201 - 2020 - 2019 and 2021 plan



2. The implementation of Hydrographic work and the construction of port infrastructure and machinery installation

❖ **Sand Dredging Management**

- 🇰🇲 In the Second Quarter of 2021, the management of sand dredging for domestic use dredged from Koh Keo Canal with a total amount of 244,723 cubic meters.
- 🇰🇲 The project of dredging at Sdao Canal, located at Sdao Leu village, Sdao commune, Kang Meas district, Kampong Cham province, is 100% completed.
- 🇰🇲 The project of dredging at Koh Rokar canal, located at Koh Rokar village, Peam Chor district, Prey Veng province achieved 281,567 cubic meter is 67% completed.

❖ **The construction of port infrastructure**

- 🇰🇲 Construction of Jetty (12m x 149m) , Access Bridge (8m x 32m), Foundation of FCC (9m x 10m for 2 sets), Dolphin, Asphalt Concrete Road(11,310m²) and Electrical Lamp Post at Container Terminal LM17 (35meter height for 2 poles) is 85% completed.
- 🇰🇲 Construction of a new gate (21m x 30m) at Container Terminal LM17, and the construction of Asphalt concrete road (6,560 m²) is 100% completed.
- 🇰🇲 Construction of 3 Ausco 40-feet as employee waiting room to process the tasks at Container Terminal LM17 is 60% completed.
- 🇰🇲 Construction of 2 dolphins at Container Terminal LM17 in order to provide safety and convenience to the ship is 81.65% completed.
- 🇰🇲 Construction of 16m x 45m 4-storey-high employee accommodation at Container Terminal LM17 is 70% completed
- 🇰🇲 Electrical connection for phase 2 and phase 3 at Container Terminal LM17 is 60% completed.
- 🇰🇲 Construction of 3 trestle bridges and poontoons (15m x 42m, heigh 2.5m) replacing the movement of pontoon location from TS1 Terminal to TS3 Terminal is 70% completed.
- 🇰🇲 Construction of Gravel road and Container Yard in order to provide convenience for the operation at Sub-feeder multipurpose terminal Koh Roka is 99.5% completed.
- 🇰🇲 Construction of 3,051 square meters 0,5m-thickness Gravel road to facilitate the transportation in the subfeeder multipurpose terminal Koh Roka is 100% completed.
- 🇰🇲 Construction of 40-Feet Ausco as working office and mobile accommodation at subfeeder multipurpose terminal Koh Roka is 100% completed.

❖ **Purchase/installation of machinery or new equipment**

- 🇰🇲 Purchased 10 Terminal tractors to use on the container yard.
- 🇰🇲 Purchased 2 empty stackers for the operation on the container yards.
- 🇰🇲 Completed the installation of 4 RTGs at Container Terminal LM17.
- 🇰🇲 The project of installing IT equipments and network connection is 44% completed.

B- Revenue Structure

Source of Revenue	2 nd Quarter for the Period Ended 30 June 2021		2 nd Quarter for the Period Ended 30 June 2020		2 nd Quarter for the Period Ended 30 June 2019	
	KHR'000	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue	Compared to total revenue
Stevedoring	11,492,728	42.62%	10,822,576	45.03%	10,395,862	44.04%
Lift On Lift Off (LOLO)	9,570,199	35.49%	8,726,525	36.31%	8,322,235	35.26%
Port due & charge	3,172,192	11.76%	3,000,906	12.49%	3,353,965	14.21%
Gate fees	749,642	2.78%	602,682	2.51%	553,812	2.35%
Storage fees	970,517	3.60%	517,213	2.15%	858,217	3.64%
Weighting fees	8,232	0.03%	2,689	0.01%	720	0.00%
Stuffing/unstuffings	25,186	0.09%	23,946	0.10%	22,275	0.09%
Trucking fees	422,675	1.57%	268,990	1.12%	96,682	0.41%
Logistic Service	464,346	1.72%	-	0.00%	-	0.00%
Sand dredging management fee	78,205	0.29%	69,111	0.29%	-	0.00%
Survey service	12,189	0.05%	-	0.00%	-	0.00%
Total:	26,966,111	100.00%	24,034,638	100.00%	23,603,768	100.00%

PART3

**Financial Statements Reviewed by
the External Auditor**

Registration No:
Co.7175 Et/2004

**PHNOM PENH AUTONOMOUS PORT
(INCORPORATED IN CAMBODIA)**

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER AND SIX-MONTH PERIOD ENDED 30 JUNE 2021**

Registration No:
Co.7175 Et/2004

**PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)**

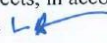
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Registration No:
Co.7175 Et/2004

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**PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)**

STATEMENT BY THE DIRECTORS


In the opinion of the Directors, the accompanying condensed statement of financial position of Phnom Penh Autonomous Port (“PPAP”) as at 30 June 2021, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter period and six-month then ended, and condensed notes to the interim financial information (collectively known as “Condensed Interim Financial Information”) are presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. 

For and on behalf of the board of Directors, 



H.E. Hei Bavy
Chairman and Chief Executive Officer

Phnom Penh, Cambodia
Date: **5 August 2021**


Ms. Chheav Vanthea
Head of Accounting/Finance
Department

**REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)
(Registration No: Co.7175 Et/2004)**

Introduction

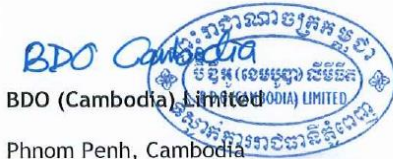
We have reviewed the accompanying condensed statement of financial position of Phnom Penh Autonomous Port (“PPAP”) as at 30 June 2021, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and six-month period then ended, and condensed notes to the interim financial information (collectively known as “Condensed Interim Financial Information”). The Directors of PPAP are responsible for the preparation of and presentation of the Condensed Interim Financial Information. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Cambodian International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Information of PPAP is not presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.


BDO (Cambodia) Limited
Phnom Penh, Cambodia
Date: 5 August 2021

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	Unaudited 30 June 2021		Audited 31 December 2020	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	94,111,568	383,504,640	88,829,863	359,316,796
Right-of-use assets	5	3,711,258	15,123,376	-	-
Investment properties	6	84,655,872	344,972,678	84,687,000	342,558,915
Lease receivables	5	4,303,599	17,537,166	4,310,477	17,435,879
Other receivable	7	67,585	275,409	64,986	262,868
Deferred tax assets	8	579,499	2,361,458	439,991	1,779,764
		<u>187,429,381</u>	<u>763,774,727</u>	<u>178,332,317</u>	<u>721,354,222</u>
Current assets					
Trade and other receivables	7	11,206,376	45,665,982	10,724,673	43,381,302
Lease receivables	5	13,624	55,518	13,362	54,049
Cash and bank balances	9	13,970,319	56,929,050	17,683,841	71,531,137
		<u>25,190,319</u>	<u>102,650,550</u>	<u>28,421,876</u>	<u>114,966,488</u>
TOTAL ASSETS		<u>212,619,700</u>	<u>866,425,277</u>	<u>206,754,193</u>	<u>836,320,710</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	10	114,453,485	457,813,940	114,453,485	457,813,940
Share premium	11	155,502	622,008	155,502	622,008
Reserves	12	45,861,380	186,885,124	36,539,606	147,802,705
Retained earnings		5,556,377	22,575,559	10,079,232	41,103,110
Currency translation difference		-	8,662,350	-	4,824,788
TOTAL EQUITY		<u>166,026,744</u>	<u>676,558,981</u>	<u>161,227,825</u>	<u>652,166,551</u>
LIABILITIES					
Non-current liabilities					
Other payable	13	33,793	137,706	32,493	131,434
Borrowings	14	19,664,754	80,133,873	20,699,741	83,730,452
Provision for retirement benefits	15	658,778	2,684,521	616,422	2,493,429
Lease liabilities	5	6,706,448	27,328,776	2,873,650	11,623,914
Contract liabilities	16	13,800,000	56,235,000	13,950,000	56,427,750
		<u>40,863,773</u>	<u>166,519,876</u>	<u>38,172,306</u>	<u>154,406,979</u>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021 (continued)

	Note	Unaudited 30 June 2021		Audited 31 December 2020	
		US\$	KHR'000	US\$	KHR'000
EQUITY AND LIABILITIES					
(continued)					
LIABILITIES (continued)					
Current liabilities					
Trade and other payables	13	2,354,670	9,595,280	3,055,400	12,359,092
Borrowings	14	2,069,974	8,435,144	2,069,974	8,373,045
Lease liabilities	5	9,085	37,021	8,909	36,037
Contract liabilities	16	300,000	1,222,500	300,000	1,213,500
Current tax liabilities		995,454	4,056,475	1,919,779	7,765,506
		<u>5,729,183</u>	<u>23,346,420</u>	<u>7,354,062</u>	<u>29,747,180</u>
TOTAL LIABILITIES		<u>46,592,956</u>	<u>189,866,296</u>	<u>45,526,368</u>	<u>184,154,159</u>
TOTAL EQUITY AND LIABILITIES		<u>212,619,700</u>	<u>866,425,277</u>	<u>206,754,193</u>	<u>836,320,710</u>

The Condensed Statement of Financial Position should be read in conjunction with the audited financial information for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND SIX-MONTH PERIOD ENDED 30 JUNE 2021

	Note	Unaudited				Unaudited			
		Three-month period ended				Six-month period ended			
		30 June 2021 ⁽¹⁾		30 June 2020 ⁽²⁾		30 June 2021 ⁽¹⁾		30 June 2020 ⁽²⁾	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	
Revenue	18	6,629,941	26,966,111	5,877,762	24,034,638	13,795,173	56,049,787	12,866,943	52,445,660
Cost of services	19	(2,285,988)	(9,296,948)	(1,845,279)	(7,544,655)	(4,530,712)	(18,408,283)	(3,963,339)	(16,154,569)
Gross profit		4,343,953	17,669,163	4,032,483	16,489,983	9,264,461	37,641,504	8,903,604	36,291,091
Other income	20	559,738	2,278,029	616,632	2,520,276	1,512,548	6,145,483	1,242,591	5,064,800
General and administrative expenses	21	(1,904,098)	(7,743,060)	(1,738,096)	(7,107,116)	(3,582,592)	(14,556,071)	(3,796,046)	(15,472,684)
Operating profit		2,999,593	12,204,132	2,911,019	11,903,143	7,194,417	29,230,916	6,350,149	25,883,207
Finance costs	22	(286,678)	(1,165,897)	(277,756)	(1,135,180)	(567,629)	(2,306,277)	(554,668)	(2,260,827)
Profit before tax		2,712,915	11,038,235	2,633,263	10,767,963	6,626,788	26,924,639	5,795,481	23,622,380
Tax expense	23	(585,569)	(2,381,055)	(558,087)	(2,282,688)	(1,057,601)	(4,297,033)	(1,278,603)	(5,211,586)
Profit for the financial period		2,127,346	8,657,180	2,075,176	8,485,275	5,569,187	22,627,606	4,516,878	18,410,794

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND SIX-MONTH PERIOD ENDED 30 JUNE 2021 (continued)

	Note	Unaudited				Unaudited			
		Three-month period ended				Six-month period ended			
		30 June 2021 ⁽¹⁾		30 June 2020 ⁽²⁾		30 June 2021 ⁽¹⁾		30 June 2020 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Other comprehensive income, net of tax									
Items that will not be reclassified subsequently to profit or loss:									
Re-measurements of defined benefit liability		(12,400)	(50,384)	3,932	16,092	(12,810)	(52,047)	9,838	40,100
Total comprehensive income for the financial period		2,114,946	8,606,796	2,079,108	8,501,367	5,556,377	22,575,559	4,526,716	18,450,894
Earnings per share									
Basic	24	0.10	0.42	0.10	0.41	0.27	1.09	0.22	0.89
Diluted	24	0.10	0.42	0.10	0.41	0.27	1.09	0.22	0.89

Notes:

(1) The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

(2) The comparative figures for the corresponding period were reviewed but not audited.

**PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)**

**CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2021		114,453,485	155,502	36,539,606	10,079,232	-	161,227,825
Profit for the financial period		-	-	-	5,569,187	-	5,569,187
Actuarial loss on retirement benefit obligation		-	-	-	(12,810)	-	(12,810)
Total comprehensive income for the financial period		-	-	-	5,556,377	-	5,556,377
Transactions with owners							
Transfer to reserves	12	-	-	9,321,774	(9,321,774)	-	-
Dividends	25	-	-	-	(757,458)	-	(757,458)
Total transactions with owners		-	-	9,321,774	(10,079,232)	-	(757,458)
Balance as at 30 June 2021⁽¹⁾		114,453,485	155,502	45,861,380	5,556,377	-	166,026,744
<i>(KHR'000 equivalent)</i>		<i>457,813,940</i>	<i>622,008</i>	<i>186,885,124</i>	<i>22,575,559</i>	<i>8,662,350</i>	<i>676,558,981</i>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021 (continued)

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2020		114,453,485	155,502	25,651,419	11,641,924	-	151,902,330
Profit for the financial year		-	-	-	4,516,878	-	4,516,878
Actuarial gain on retirement benefit obligation		-	-	-	9,838	-	9,838
Total comprehensive income		-	-	-	4,526,716	-	4,526,716
Transactions with owners							
Transfer to reserves	12	-	-	10,888,187	(10,888,187)	-	-
Dividends		-	-	-	(753,737)	-	(753,737)
Total transactions with owners		-	-	10,888,187	(11,641,924)	-	(753,737)
Balance as at 30 June 2020⁽²⁾		114,453,485	155,502	36,539,606	4,526,716	-	155,675,309
<i>(KHR'000 equivalent)</i>		<i>457,813,940</i>	<i>622,008</i>	<i>149,556,607</i>	<i>18,527,849</i>	<i>10,658,637</i>	<i>637,179,041</i>

Notes:

(1) Should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

(2) The comparative figures for the corresponding period were reviewed but not audited.

**PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)**

**CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

	Note	Unaudited			
		Six-month period ended		30 June 2020 ⁽²⁾	
		30 June 2021 ⁽¹⁾		30 June 2020 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Profit before tax		6,626,788	26,924,639	5,795,481	23,622,380
Adjustments for:					
Depreciation of property, plant and equipment	4	1,468,901	5,968,145	1,276,268	5,202,068
Depreciation of investment properties	6	31,128	126,473	31,882	129,951
Depreciation of right-of-use assets		50,266	204,231	-	-
Finance costs		566,329	2,300,995	553,418	2,255,732
(Net reversal of impairment loss)/Impairment loss on receivables		(209,775)	(852,316)	130,642	532,497
Interest income		(576,833)	(2,343,673)	(667,212)	(2,719,556)
Loss on disposal of investment properties		-	-	103,376	421,361
Loss on disposal of property, plant and equipment		-	-	60,324	245,881
Net unwinding effect of long term deposit		(1,299)	(5,278)	(1,249)	(5,091)
Property, plant and equipment written off	4	-	-	125,901	513,172
Retirement benefit obligation expenses	15	70,284	285,564	54,428	221,849
Unrealised gain on foreign exchange		-	-	(2,203)	(8,979)
Operating profit before changes in working capital		8,025,789	32,608,780	7,461,056	30,411,265
Changes in working capital					
Trade and other receivables		(54,908)	(223,092)	818,796	3,337,412
Trade and other payables		(381,837)	(1,551,404)	(803,777)	(3,276,195)
Contract liabilities		(150,000)	(609,450)	(150,000)	(611,400)
Cash generated from operations		7,439,044	30,224,834	7,326,075	29,861,082
Tax paid		(2,121,434)	(8,619,386)	(2,392,159)	(9,750,440)
Retirement benefit obligation paid	15	(13,251)	(53,839)	(23,812)	(97,058)
Net cash from operating activities		5,304,359	21,551,609	4,910,104	20,013,584
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(6,750,606)	(27,427,712)	(6,366,127)	(25,948,334)
Proceeds from disposal of property, plant, and equipment		-	-	1,913	7,797
Proceeds from disposal of investment properties		-	-	350	1,427
Interest received		273,391	1,110,788	135,172	550,961
Withdrawal of fixed deposits with a licensed bank		5,000,000	20,315,000	1,200,000	4,891,200
Net cash used in investing activities		(1,477,215)	(6,001,924)	(5,028,692)	(20,496,949)

**PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)**

**CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021 (continued)**

	Note	Unaudited			
		Six-month period ended			
		30 June 2021 ⁽¹⁾		30 June 2020 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000
Cash flows from financing activities					
Dividend paid		(1,019,272)	(4,141,302)	-	-
Interest paid		(455,394)	(1,850,266)	(510,695)	(2,081,593)
Payment for lease liabilities		(31,013)	(126,006)	(124,050)	(505,628)
Repayments of borrowings		(1,034,987)	(4,205,152)	(1,034,987)	(4,218,607)
Net cash used in financing activities		(2,540,666)	(10,322,726)	(1,669,732)	(6,805,828)
Net increase/(decrease) in cash and cash equivalents		1,286,478	5,226,959	(1,788,320)	(7,289,193)
Cash and cash equivalents at beginning of financial period		2,683,841	10,936,652	9,784,908	39,873,500
Currency translation differences		-	15,439	-	145,727
Cash and cash equivalents at end of financial period	9	3,970,319	16,179,050	7,996,588	32,730,034

Notes:

(1) *The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.*

(2) *The comparative figures for the corresponding period were reviewed but not audited.*

**PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
30 JUNE 2021**

1. CORPORATE INFORMATION

Phnom Penh Autonomous Port (“PPAP”) was registered under the Sub-Decree number 51 អនក្រឹត្យ on 17 July 1998 as a state-owned public enterprise supervised by the Ministry of Economy and Finance (“MEF”) and the Ministry of Public Works and Transport (“MPWT”). PPAP was listed on the Cambodia Securities Exchange on 9 December 2015 with the security certificate number 003 CSX/SC and became a state-owned public enterprise offering shares to the public.

The registered office and principal place of business of PPAP is located at No. 649, Preah Sisowath Quay, Sangkat Sras Chork, Khan Duan Penh, Phnom Penh, Kingdom of Cambodia.

The condensed interim financial information are presented in United States Dollar (“US\$”), which is also PPAP’s functional currency. Additional disclosures are also made in Khmer Riel (“KHR”) to meet the requirement of the Law on Accounting and Auditing. PPAP uses the following official closing and average rates of exchange for the translation:

		Closing rate	Average rate
30 June 2021	US\$1 =	KHR4,075	KHR4,063
31 December 2020	US\$1 =	KHR4,045	KHR4,078
30 June 2020	US\$1 =	KHR4,093	KHR4,076

These convenience translations should not be constructed as representations that the United States Dollars amounts have been, could have been, or could be in the future be, converted into Khmer Riel at this or any other rate of exchange.

The condensed interim financial information were authorised for issue by the Board of Directors on 5 August 2021.

2. PRINCIPAL ACTIVITIES

PPAP has responsibilities as port authority and port operator, including but not limited to:

- Provide pilotage navigating the vessel entering into or departing from port;
- Provide vessel’s berth;
- Provide a location for vessel repairing and fuel refilling;
- Provide dredging service and maintain navigation channel;
- Monitor operation according to technical standard and ensure safety, environmental sustainability, and orders in the port’s commercial zone;
- Check ship documents in order to complete the formalities for vessel entering into-departing from the port;
- Train human resources in navigation and port sector through the Cambodia Maritime Institute;
- Develop port infrastructure through cooperation with the domestic and foreign development partners in order to expand container terminal, general/bulk cargo terminal, feeder port, and passenger/tourist terminal;
- Establish port supporting areas, including special economic zone, industrial zone, agricultural products procession zone and logistics zone;
- Take various measures in order to ensure the enforcement of laws and legal norms related to port and means of water transportation;
- Lift on- lift off (“LOLO”), load-unload, and store cargo;
- Transport goods within port area, between the port and industrial area;
- Provide bonded warehouse service, temporary customs warehouse service and container yard;
- Provide tug-boat assistance and mooring-unmooring service;
- Provide logistics supply, pure water, and hygiene service to vessel;
- Provide container stuffing-unstuffing service;

2. PRINCIPAL ACTIVITIES (continued)

- Provide container repair and maintenance service;
- Provide tourist/passenger terminal and domestic port service; and
- Operate other business of any kinds authorised by the laws and legal norms in force to support the growth of PPAP.

3. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached herein.

The explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the PPAP since the financial year ended 31 December 2020.

The accounting policies and methods of computation adopted are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2019 except for the adoption of the following amendments:

	Effective Date
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to CIFRS 9, CIAS 39, CIFRS 7, CIFRS 4 and CIFRS 16)	1 January 2021
Amendment to CIFRS 16 <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> (Amendment to CIFRS 16 Leases)	1 April 2021 (early adopted)

Interest Rate Benchmark Reform - Phase 2 (Amendments to CIFRS 9, CIAS 39, CIFRS 7, CIFRS 4 and CIFRS 16)

The changes in *Interest Rate Benchmark Reform — Phase 2* (Amendments to CIFRS 9, CIAS 39, CIFRS 7, CIFRS 4 and CIFRS 16) refer to the replacement of interest reference rates, such as London Inter-Bank Offered Rate (“LIBOR”) and Euro Inter-Bank Offered Rate (“EURIBOR”) with alternative benchmark rates. These amendments follow on from the first phase of reliefs relating to Inter-Bank Offered Rate (“IBOR”) Reform issued in September 2019.

IBOR Reform brings about several potentially significant implications for entities reporting under CIFRS both during the period of uncertainty prior to IBOR being replaced (pre-replacement issues), as well as at the time IBOR is replaced (replacement issues). The first phase of amendments focused solely on pre-replacement issues that relate to hedge accounting requirements. The second phase of reliefs focuses on replacement issues in relation to hedge accounting and other areas of accounting.

Amendment to CIFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to CIFRS 16 Leases)

The changes in *Covid-19-Related Rent Concessions beyond 30 June 2021* amend CIFRS 16 to:

- Permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (previously only payments originally due on or before 30 June 2021);
- Require a lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
- Provide that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of CIAS 8.

3. BASIS OF PREPARATION (continued)

The following are accounting standards and amendments that have been issued but have not been early adopted by PPAP:

	Effective Date
Annual Improvements to CIFRS Standards 2018 – 2020	1 January 2022
Amendments to CIFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to CIAS 16 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to CIAS 37 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to CIAS 1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 4 <i>Insurance Contract - Extension of the Temporary Exemption from Applying CIFRS 9</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to CIAS 1 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to CIAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
Amendments to CIFRS 10 and CIAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

PPAP is in the process of making an assessment of the potential impact from the adoption of these accounting standards and amendments hence the Directors are not yet in a position to conclude on the potential impact on the results and the financial position of PPAP.

The possible effects from the adoption of the above accounting standards and amendments are as follows:

Annual Improvements to CIFRS Standards 2018 – 2020

The annual improvement amend the following standards:

- CIFRS 1 *First-time Adoption of International Financial Reporting Standards* to permit a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- CIFRS 9 *Financial Instruments* to clarify the fees included in the "10 per cent" test in paragraph B3.3.6 of CIFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included.
- CIFRS 16 *Leases* to amend Illustrative Example 13 to remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- CIAS 41 *Agriculture* to remove the requirement to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Amendments to CIFRS 3 *Reference to the Conceptual Framework*

Amendments are made to various accounting standards to reflect the issue of the revised *Conceptual Framework for Financial Reporting* and apply to for-profit sector entities that have public accountability and are required by legislation to comply with CIFRSs and other for-profit entities that elect to apply the *Conceptual Framework*, for annual reporting periods beginning on or after 1 January 2020.

3. BASIS OF PREPARATION (continued)

The possible effects from the adoption of the above accounting standards and amendments are as follows: (continued)

Amendments to CIAS 16 *Property, Plant and Equipment - Proceeds before Intended Use*

The amendments to CIAS 16 *Property, Plant and Equipment* prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

Amendments to CIAS 37 *Onerous Contracts - Cost of Fulfilling a Contract*

The amendments to CIAS 37 *Provisions, Contingent Liabilities and Contingent Assets* to specify that the “cost of fulfilling” a contract comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to CIAS 1 *Classification of Liabilities as Current or Non-current*

CIAS 1 *Presentation of Financial Statements* has been amended to:

- Clarify that the classification of liabilities as current or non-current is based on rights that in existence at the end of the reporting period;
- Specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability;
- Explain that rights are in existence if covenants are complied with at the end of the reporting period; and
- Introduce a definition of “settlement” to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

CIFRS 17 *Insurance Contracts*

CIFRS 17 replaces CIFRS 4 and requires a current measurement model where estimates are re-measured each reporting period.

Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows;
- an explicit risk adjustment; and
- a contractual service margin (“CSM”) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under CIFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the “variable fee approach” for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity’s share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

3. BASIS OF PREPARATION (continued)

Amendments to CIFRS 17 Insurance Contracts

The amendments to CIFRS 17 *Insurance Contracts* defer the effective date from annual periods beginning on or after 1 January 2021 to 1 January 2023. For entities that have elected to defer CIFRS 9 *Financial Instruments*, the mandatory effective date has also been deferred until 1 January 2023.

The IASB has amended CIFRS 17 to:

- Reduce costs (some requirements have been simplified to reduce costs such as systems development costs);
- Make results easier to explain; and
- Ease transition (the deferred application date gives insurers more time to prepare for first-time adoption of CIFRS 17 and in some cases, CIFRS 9 as well, and also provides more transition reliefs to reduce complexity of applying CIFRS 17 for the first time).

Amendments to CIFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying CIFRS 9

CIFRS 4 was amended to require insurers applying the temporary exemption from CIFRS 9 (i.e. those insurers that continue to apply CIAS 39) to apply the same practical expedient as those entities applying CIFRS 9.

Disclosure of Accounting Policies (Amendments to CIAS 1 Presentation of Financial Statements)

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies.

Definition of Accounting Estimates (Amendments to CIAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to CIFRS 10 and CIAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

4. PROPERTY, PLANT AND EQUIPMENT

	Unaudited	Audited
	30 June 2021	31 December 2020
	US\$	US\$
Cost		
Balance at the beginning of financial period/year	110,226,053	96,414,691
Additions	6,750,606	14,132,798
Disposals	-	(195,535)
Written-off	-	(125,901)
	<u>116,976,659</u>	<u>110,226,053</u>
Accumulated depreciation		
Balance at the beginning of financial period/year	21,396,190	18,846,135
Depreciation for financial period/year	1,468,901	2,683,353
Disposals	-	(133,298)
	<u>22,865,091</u>	<u>21,396,190</u>
Carrying amounts		
Balance at the end of financial period/year	<u>94,111,568</u>	<u>88,829,863</u>
<i>(KHR'000 equivalent)</i>	<u>383,504,640</u>	<u>359,316,796</u>

5. LEASES

Right-of-use assets and lease liabilities are in respect of a 40 year lease of land from Green Trade Co., Ltd.

Lease receivables are in respect of 40 year leases of land to Hui Bang International Investment Group Co., Ltd. and Mekong Oriza Trading Co., Ltd.

6. INVESTMENT PROPERTIES

	Unaudited	Audited
	30 June 2021	31 December 2020
	US\$	US\$
Cost		
Balance at the beginning of financial period/year	85,186,015	85,318,810
Disposals	-	(132,795)
	<u>85,186,015</u>	<u>85,186,015</u>
Accumulated depreciation		
Balance at the beginning of financial period/year	499,015	464,664
Depreciation for financial period/year	31,128	63,420
Disposals	-	(29,069)
	<u>530,143</u>	<u>499,015</u>
Carrying amounts		
Balance at the end of financial period/year	<u>84,655,872</u>	<u>84,687,000</u>
<i>(KHR'000 equivalent)</i>	<u>344,972,678</u>	<u>342,558,915</u>

7. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2021		Audited 31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other receivable				
Deposit	67,585	275,409	64,986	262,868
Current				
Trade receivables				
Third parties	4,513,922	18,394,232	4,090,938	16,547,844
Less: Impairment loss - Third parties	(662,326)	(2,698,978)	(872,101)	(3,527,648)
	3,851,596	15,695,254	3,218,837	13,020,196
Other receivables				
Third parties	6,072,067	24,743,673	6,499,817	26,291,760
Advances	117,279	477,912	83,753	338,781
Input Value Added Taxes	258,986	1,055,368	-	-
Deposits	149,870	610,720	208,870	844,879
Other receivables	343,929	1,401,510	267,756	1,083,073
	6,942,131	28,289,183	7,060,196	28,558,493
Total receivables	10,793,727	43,984,437	10,279,033	41,578,687
Prepayments	412,649	1,681,545	445,640	1,802,614
	11,206,376	45,665,982	10,724,673	43,381,302

8. DEFERRED TAX

The components and movements of deferred tax assets/(liabilities) are as follows:

	At 1 January 2021 US\$	Recognised in profit or loss US\$	At 30 June 2021 US\$ (Unaudited)
Property, plant and equipment	(2,702,959)	279,255	(2,423,704)
Retirement benefit obligation	108,359	5,923	114,282
Deferred income	2,850,000	(90,000)	2,760,000
Impairment loss on receivables	174,420	(41,955)	132,465
Unrealised exchange differences	10,171	(13,715)	(3,544)
	439,991	139,508	579,499
<i>(KHR'000 equivalent)</i>			<u>2,361,458</u>

8. DEFERRED TAX (continued)

	At 1 January 2020 US\$	Recognised in profit or loss US\$	At 31 December 2020 US\$ (Audited)
Property, plant and equipment	(2,265,028)	(437,931)	(2,702,959)
Retirement benefit obligation	122,685	(14,326)	108,359
Deferred income	2,916,202	(66,202)	2,850,000
Impairment loss on receivables	102,973	71,447	174,420
Unrealised exchange differences	1,632	8,539	10,171
	<u>878,464</u>	<u>(438,473)</u>	<u>439,991</u>
			<u>1,779,764</u>

(KHR'000 equivalent)

9. CASH AND BANK BALANCES

	Unaudited 30 June 2021		Audited 31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	4,262	17,368	3,807	15,399
Cash at banks	3,966,057	16,161,682	2,680,034	10,840,738
Fixed deposits	10,000,000	40,750,000	15,000,000	60,675,000
As stated in statement of financial position	13,970,319	56,929,050	17,683,841	71,531,137
Less:				
Deposits (maturity more than three months)	<u>(10,000,000)</u>	<u>(40,750,000)</u>	<u>(15,000,000)</u>	<u>(60,675,000)</u>
As stated in statement of cash flows	<u>3,970,319</u>	<u>16,179,050</u>	<u>2,683,841</u>	<u>10,856,137</u>

10. SHARE CAPITAL

	Unaudited 30 June 2021		Audited 31 December 2020	
	Number	US\$	Number	US\$
Voting shares of US\$1 each:				
Class A	4,136,873	4,136,873	4,136,873	4,136,873
Class B	16,547,492	16,547,492	16,547,492	16,547,492
	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Non-voting shares of US\$1 each:				
Class C	93,769,120	93,769,120	93,769,120	93,769,120
	<u>114,453,485</u>	<u>114,453,485</u>	<u>114,453,485</u>	<u>114,453,485</u>
<i>(KHR'000 equivalent)</i>		<u>457,813,940</u>		<u>457,813,940</u>

10. SHARE CAPITAL (continued)

Class A shareholders will enjoy the minimum guaranteed dividend yield of 5% per year based on the Initial Public Offering (“IPO”) price for the period of at least 5 years, starting from 2016 to 2020. The present value of these guaranteed dividends amounting to US\$936,145 is expected to be paid over five years.

Class C shareholders are not entitled to dividend but have first priority in case of PPAP’s liquidation.

11. SHARE PREMIUM

On 9 December 2015, PPAP was successfully listed on the Cambodia Securities Exchange (“CSX”). The total number of ordinary shares (voting) is 20,684,365 shares, of which 4,136,873 (Class A) shares was from the IPO with a par value of KHR4,000 per share. After the listing, MoEF holds 80% of the total number of shares. PPAP received the proceeds from the IPO amounting to US\$5,193,915 and incurred IPO costs of US\$901,540.

The share premium mainly represents the excess amount received by PPAP over the par value of its shares pursuant to the issuance of shares, net of transaction costs directly distributable to the issuance.

12. RESERVES

	Legal reserve US\$	General reserve US\$	Development fund US\$	Total US\$
As at 1 January 2021	2,046,010	2,046,010	32,447,586	36,539,606
Transfer from retained earnings	493,044	493,044	8,335,686	9,321,774
As at 30 June 2021 (Unaudited)	2,539,054	2,539,054	40,783,272	45,861,380
<i>(KHR'000 equivalent)</i>	<i>10,346,645</i>	<i>10,346,645</i>	<i>166,191,834</i>	<i>186,885,124</i>
As at 1 January 2020	1,468,440	1,468,440	22,714,539	25,651,419
Transfer from retained earnings	577,570	577,570	9,733,047	10,888,187
As at 31 December 2020 (Audited)	2,046,010	2,046,010	32,447,586	36,539,606
<i>(KHR'000 equivalent)</i>	<i>8,276,110</i>	<i>8,276,110</i>	<i>131,250,485</i>	<i>147,802,705</i>

On 18 March 2021, the Board of Directors approved the transfer of retained earnings to reserves amounting to US\$9,321,774.

In accordance with PPAP’s Articles of Incorporation, article 66, dated 5 September 2016, PPAP’s profit, after offsetting with losses carried forward (if any), can be used as follows:

- for legal reserve – 5%
- for general reserve – 5%
- the remaining balance for dividend and development fund

13. TRADE AND OTHER PAYABLES

	Unaudited		Audited	
	30 June 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other payable				
Deposit	33,793	137,706	32,493	131,434
Current				
Trade payables				
Third parties	368,021	1,499,686	282,631	1,143,242
Other payables				
Interest payable	313,946	1,279,330	336,486	1,361,086
Deposits	394,434	1,607,319	384,782	1,556,443
Guaranteed dividends payable	-	-	261,814	1,059,038
Other tax payables	46,184	188,200	78,396	317,112
Other payables	1,232,085	5,020,745	1,711,291	6,922,171
	1,986,649	8,095,594	2,772,769	11,215,850
	2,354,670	9,595,280	3,055,400	12,359,092

14. BORROWINGS

	Unaudited		Audited	
	30 June 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Phnom Penh Port – New Container Terminal Project (“PPPNCTP”) or Phnom Penh Port LM17	19,664,754	80,133,873	20,699,741	83,730,452
Current				
PPPNCTP or Phnom Penh Port LM17	2,069,974	8,435,144	2,069,974	8,373,045
	21,734,728	88,569,017	22,769,715	92,103,497

PPPNCTP represents an on-lending agreement between the MEF and PPAP for the lending of proceeds of the Import-Export Bank of China (“the Eximbank”) under the Preferential Buyer Credit Loan Agreement: No. (2010)29(136) dated 4 November 2010 for the Phnom Penh Port-New Container Terminal Project (“Project”).

The amount to be re-lent to PPAP shall be deemed to be simultaneously lent to PPAP on the same dates, in the same currency and the same amount as those disbursed by the Eximbank for the purposes of financing the implementation of the Project. PPAP pays interest to the MEF semi-annually at the rate of 4% per annum. The loan on-lent is for 20 years, including a grace period of not exceeding 7 years from the date of the conclusion of the Loan Agreement.

15. PROVISION FOR RETIREMENT BENEFITS

The amounts recognised in the statement of financial position are as follows:

	Unaudited 30 June 2021		Audited 31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Defined benefits obligation				
Present value of defined benefits obligation	571,409	2,328,492	541,795	2,191,561
Fair value of plan asset	-	-	-	-
	<u>571,409</u>	<u>2,328,492</u>	<u>541,795</u>	<u>2,191,561</u>
Other benefits				
National Social Security Funds	87,369	356,029	74,627	301,868
Liability recognised in statement of financial position	<u>658,778</u>	<u>2,684,521</u>	<u>616,422</u>	<u>2,493,429</u>

The movements in the defined benefits obligations during the period are as follows:

	Unaudited 30 June 2021	Audited 31 December 2020
	US\$	US\$
Balance at 1 January	541,795	613,427
Current service costs	28,771	47,813
Interest costs	28,771	35,910
Benefits paid	(13,251)	(28,232)
Re-measurement	<u>(14,677)</u>	<u>(127,123)</u>
Balance at 30 June/31 December	<u>571,409</u>	<u>541,795</u>
<i>(KHR'000 equivalent)</i>	<u>2,328,492</u>	<u>2,191,561</u>

The movements in the other benefits during the period are as follows:

	Unaudited 30 June 2021	Audited 31 December 2020
	US\$	US\$
Balance at 1 January	74,627	49,088
Additional expenses	<u>12,742</u>	<u>25,539</u>
Balance at 30 June/31 December	<u>87,369</u>	<u>74,627</u>
<i>(KHR'000 equivalent)</i>	<u>356,029</u>	<u>301,868</u>

15. PROVISION FOR RETIREMENT BENEFITS (continued)

The amounts recognised within salaries, wages and related expenses in the statement of profit or loss and other comprehensive income are as follows:

	Unaudited 30 June 2021		Unaudited 30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Defined benefit obligation				
Current service costs	28,771	116,897	23,818	97,487
Interest costs	28,771	116,897	17,889	72,220
Other benefits				
Additional expenses	12,742	51,770	12,721	52,067
	<u>70,284</u>	<u>285,564</u>	<u>54,428</u>	<u>222,774</u>

16. CONTRACT LIABILITIES

	Unaudited 30 June 2021		Audited 31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Deferred income	<u>13,800,000</u>	<u>56,235,000</u>	<u>13,950,000</u>	<u>56,427,750</u>
Current				
Deferred income	<u>300,000</u>	<u>1,222,500</u>	<u>300,000</u>	<u>1,213,500</u>

17. CAPITAL COMMITMENTS

	Unaudited 30 June 2021		Audited 31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Capital expenditure in respect of purchase of property, plant and equipment:				
Contracted but not provided	<u>4,552,989</u>	<u>18,553,430</u>	<u>8,198,352</u>	<u>33,162,334</u>

18. REVENUE

	Unaudited			
	Three-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	2,825,523	11,492,728	2,647,688	10,822,576
Lift On Lift Off ("LOLO")	2,352,897	9,570,199	2,134,358	8,726,525
Port dues and charges	779,880	3,172,192	733,194	3,000,906
Gate fees	184,319	749,642	147,380	602,682
Storage fees	238,720	970,517	126,189	517,213
Weighting fee	2,024	8,232	659	2,689
Stuffing/Unstuffing	6,184	25,186	5,850	23,946
Sand dredging management fee	19,248	78,205	16,659	69,111
Survey	3,000	12,189	-	-
Trucking fee	103,936	422,675	65,785	268,990
Logistics services	114,210	464,346	-	-
	<u>6,629,941</u>	<u>26,966,111</u>	<u>5,877,762</u>	<u>24,034,638</u>

	Unaudited			
	Six-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	5,982,589	24,307,259	5,429,441	22,130,402
LOLO	4,947,609	20,102,135	4,578,228	18,660,857
Port dues and charges	1,664,766	6,763,944	1,861,157	7,586,076
Gate fees	372,800	1,514,686	325,643	1,327,321
Storage fees	388,164	1,577,110	386,733	1,576,324
Weighting fee	4,144	16,837	927	3,778
Stuffing/Unstuffing	21,334	86,680	15,050	61,344
Sand dredging management fee	19,248	78,205	126,591	515,985
Survey	3,000	12,189	-	-
Trucking fee	199,759	811,621	127,426	519,388
Logistics services	191,760	779,121	15,747	64,185
	<u>13,795,173</u>	<u>56,049,787</u>	<u>12,866,943</u>	<u>52,445,660</u>

19. COST OF SERVICES

	Unaudited			
	Three-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Crane charges	470,896	1,915,397	523,092	2,138,904
Depreciation	601,764	2,447,357	563,625	2,303,138
Fuel and gasoline	196,838	800,666	177,370	726,297
Salaries and wages	424,706	1,727,237	382,624	1,563,948
Maintenance costs	285,995	1,163,445	173,519	709,296
Logistic costs	121,260	492,946	-	-
Others	184,529	749,900	25,049	103,072
	<u>2,285,988</u>	<u>9,296,948</u>	<u>1,845,279</u>	<u>7,544,655</u>

	Unaudited			
	Six-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Crane charges	1,007,474	4,093,367	1,139,570	4,644,887
Depreciation	1,199,184	4,872,285	1,091,175	4,447,629
Fuel and gasoline	425,198	1,727,579	480,724	1,959,431
Salaries and wages	838,910	3,408,491	780,107	3,179,716
Maintenance costs	647,707	2,631,634	358,297	1,460,419
Logistic costs	187,820	763,113	15,747	64,185
Others	224,419	911,814	97,719	398,302
	<u>4,530,712</u>	<u>18,408,283</u>	<u>3,963,339</u>	<u>16,154,569</u>

20. OTHER INCOME

	Unaudited			
	Three-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Rental income	226,208	919,996	180,137	737,149
Interest income from:				
- deposits with financial institutions	199,695	812,524	298,855	1,221,231
- lease receivables	43,195	175,675	43,324	177,066
Unwinding effect of long term deposit	-		2,499	10,186
Others	90,640	369,834	91,817	374,644
	<u>559,738</u>	<u>2,278,029</u>	<u>616,632</u>	<u>2,520,276</u>

	Unaudited			
	Six-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Rental income	454,349	1,846,020	444,792	1,812,972
Interest income from:				
- deposits with financial institutions	490,411	1,992,540	580,531	2,366,244
- lease receivables	86,422	351,133	86,681	353,312
Unwinding effect of long term deposit	2,599	10,560	2,499	10,186
Reversal of impairment loss on receivables	344,700	1,400,516	-	-
Others	134,067	544,714	128,088	522,086
	<u>1,512,548</u>	<u>6,145,483</u>	<u>1,242,591</u>	<u>5,064,800</u>

21. GENERAL AND ADMINISTRATIVE EXPENSES

	Unaudited			
	Three-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Salaries and other benefits	1,081,699	4,398,805	1,070,050	4,372,100
Utilities and fuel	133,748	543,896	122,002	498,505
Depreciation	174,931	711,449	112,959	461,565
Board of Directors' fees	62,009	252,191	61,087	249,770
Donation	92,255	374,986	102,046	416,388
Office supplies	40,335	164,030	-	-
Business entertainment	17,483	71,148	15,854	65,073
Repair and maintenance	54,330	220,837	27,955	114,366
Communication expenses	18,795	76,424	17,371	70,975
Professional fees	5,338	21,718	11,301	46,172
Travelling expenses	17,785	72,318	17,644	72,067
Other tax expenses	29,321	119,837	90,311	370,233
Other expenses	41,144	167,221	6,764	32,078
Impairment loss on receivables	134,925	548,200	82,752	337,824
	<u>1,904,098</u>	<u>7,743,060</u>	<u>1,738,096</u>	<u>7,107,116</u>

	Unaudited			
	Six-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Salaries and other benefits	2,047,602	8,319,407	2,031,510	8,280,435
Utilities and fuel	253,169	1,028,626	233,330	951,053
Depreciation	351,111	1,426,564	216,978	884,402
Board of Directors' fees	124,093	504,190	132,018	538,105
Donation	130,912	531,895	142,801	582,057
Office supplies	77,556	315,110	121,933	496,999
Business entertainment	46,141	187,471	56,890	231,884
Repair and maintenance	77,933	316,642	66,289	270,194
Communication expenses	33,821	137,415	32,895	134,080
Professional fees	12,832	52,136	21,222	86,501
Travelling expenses	32,203	130,841	31,288	127,530
Other tax expenses	205,911	836,616	283,566	1,155,815
Other expenses	54,383	220,958	119,722	487,987
Loss on disposal of property, plant and equipment and investment property	-	-	174,962	713,145
Impairment loss on receivables	134,925	548,200	130,642	532,497
	<u>3,582,592</u>	<u>14,556,071</u>	<u>3,796,046</u>	<u>15,472,684</u>

22. FINANCE COSTS

	Unaudited			
	Three-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	219,762	893,744	240,691	983,903
- lease liabilities	66,916	272,153	28,884	118,049
Unwinding effect of:				
- long term deposit	-	-	1,250	5,095
- guaranteed dividend	-	-	6,931	28,133
	<u>286,678</u>	<u>1,165,897</u>	<u>277,756</u>	<u>1,135,180</u>

	Unaudited			
	Six-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	432,854	1,758,686	481,729	1,963,527
- lease liabilities	133,475	542,309	57,788	235,544
Unwinding effect of:				
- long term deposit	1,300	5,282	1,250	5,095
- guaranteed dividend	-	-	13,901	56,661
	<u>567,629</u>	<u>2,306,277</u>	<u>554,668</u>	<u>2,260,827</u>

23. TAXATION

	Unaudited			
	Three-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	518,661	2,110,034	410,195	1,679,432
Deferred tax:				
Origination and reversal of temporary differences	66,908	271,021	147,892	603,256
	<u>585,569</u>	<u>2,381,055</u>	<u>558,087</u>	<u>2,282,688</u>

23. TAXATION (Continued)

	Unaudited			
	Six-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	1,166,954	4,741,334	1,056,077	4,304,570
Under provision in prior year	30,155	122,520	33,854	137,989
	<u>1,197,109</u>	<u>4,863,854</u>	<u>1,089,931</u>	<u>4,442,559</u>
Deferred tax expense:				
Origination and reversal of temporary differences	(139,508)	(566,821)	188,672	769,027
Total tax expense	<u>1,057,601</u>	<u>4,297,033</u>	<u>1,278,603</u>	<u>5,211,586</u>

Under the Cambodian Law on Taxation, PPAP has an obligation to pay tax on profit at 20% (2020: 20%) of the taxable profit or a minimum tax at 1% (2020: 1%) of total revenue, whichever is higher.

24. EARNINGS PER SHARE

	Unaudited			
	Three-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	2,114,946	8,606,796	2,079,108	8,501,367
Weighted average number of ordinary shares in issue	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Basic earnings per share	0.10	0.42	0.10	0.41
Diluted earnings per share	<u>0.10</u>	<u>0.42</u>	<u>0.10</u>	<u>0.41</u>

	Unaudited			
	Six-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	5,556,377	22,575,559	4,526,716	18,450,894
Weighted average number of ordinary shares in issue	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Basic earnings per share	0.27	1.09	0.22	0.89
Diluted earnings per share	<u>0.27</u>	<u>1.09</u>	<u>0.22</u>	<u>0.89</u>

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

PPAP had no dilutive potential ordinary shares as at the period end. As such, the diluted earnings per share were equivalent to the basic earnings per share.

25. DIVIDENDS

On 18 March 2021, the Board of Directors of PPAP resolved to distribute the dividends in respect to the financial year ended 31 December 2020 to shareholders of each class of shares as follows:

- Shareholders in Class A is entitled to the additional dividend of US\$78,446 (equivalent to KHR317,711,846) on the top of total guaranteed dividend.
- Shareholders in Class B is entitled to total dividend of US\$679,012 (equivalent to KHR2,750,000,000).

These dividends was paid on 28 May 2021.

26. RELATED PARTY DISCLOSURES

- (a) PPAP had the following transactions with related parties during the financial period.

	Unaudited			
	Three-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
<u>Related parties</u>				
MEF				
Interest expense	219,762	893,744	240,692	983,712
MEF and MPWT				
Donation and charities	2,464	10,017	3,664	15,000

	Unaudited			
	Six-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
<u>Related parties</u>				
MEF				
Interest expense	432,854	1,758,686	481,729	1,963,527
MEF and MPWT				
Donation and charities	3,695	15,013	9,593	39,101

- (b) Compensation of key management personnel

Key management compensation during the financial period is as follows:

	Unaudited			
	Three-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Short term employee benefits	62,009	252,189	61,087	249,770

	Unaudited			
	Six-month period ended			
	30 June 2021		30 June 2020	
	US\$	KHR'000	US\$	KHR'000
Short term employee benefits	124,093	504,190	132,018	538,105

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of PPAP is to optimise value creation for its shareholders whilst minimising the potential adverse impact arising from volatility of the financial markets.

The Directors are responsible for setting the objectives and underlying principles of financial risk management for PPAP. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits in accordance with the objectives and underlying principles approved by the Directors.

(a) Credit risk

Credit risk is the risk of financial loss to PPAP if a counter party to a financial instrument fails to perform as contracted. It is PPAP's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that PPAP is exposed to minimal credit risk.

PPAP's primary exposure to credit risk arises through its receivables. The credit period for trade receivables is one to three months (2020: one to three months) and PPAP seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management.

(b) Liquidity and cash flow risk

Liquidity and cash flow risk arises from PPAP's management of working capital. It is the risk that PPAP will encounter difficulty in meeting its financial obligations when due.

PPAP actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, PPAP maintains a level of cash and cash equivalents deemed adequate to finance PPAP's activities.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of PPAP would fluctuate because of changes in market interest rates.

The exposure of PPAP to interest rate risk arises primarily from loans and borrowings. PPAP manages its interest rate exposure by closely monitoring the debt market and where necessary, maintaining a prudent mix of fixed and floating rate borrowings. PPAP does not use derivative financial instruments to hedge any debt obligations.

28. TAXATION CONTINGENCIES

Law on taxation in Cambodia including Sub Decree, Prakas, Circular and Notification is frequently changing based on the amendment of tax authorities and subject to interpretation. Often, differing interpretations on law of taxation exist among relevant parties and this could result in higher tax risks. Taxes are subject to review and investigation by a number of authorities who are enabled by law to impose severe fines, penalties and interest charges. Management believes that it has adequately provided tax liabilities based on its interpretation of tax legislation.

29. SEASONALITY OR CYCLICALITY OF OPERATIONS

The demand for PPAP services is subject to seasonal fluctuation as a result of the high demand for mainly garment, commodity, rice, textile raw materials and construction materials. Historically, peak demand is in the third quarter of the year and attributed to the high volume of export to America and import from China.

30. SIGNIFICANT EVENTS DURING THE PERIOD

- (a) The World Health Organisation declared the 2019 Novel Coronavirus infection (“COVID-19”) a pandemic on 11 March 2020.

As at the date of authorisation of the financial statements, the COVID-19 situation is still evolving and unpredictable. Based on the assessment of PPAP, there is no significant impact arising from the COVID-19 pandemic in respect of the judgements and assumptions used in the preparation of the financial statements for the financial period ended 30 June 2021. PPAP will continue to assess the impact of the COVID-19 pandemic on the financial statements of PPAP for the financial year ending 31 December 2021.

PPAP has also considered the impact of the COVID-19 pandemic across its business operations and took the necessary precautions and provisions, where necessary. PPAP will also continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic.

- (b) On 1 January 2021, parcels of land situated at Kilometre No. 6 Commune, Khan Russeykeo and Sihanouk Ville measuring 34,687.29 metre square were handed over to PPAP pursuant to the 40 year lease agreement, which was entered into with Green Trade Co., Ltd. on 15 February 2019.

Part 4
Management's Discussion and Analysis
(MD&A)

A- Overview of operations

PPAP is one of the Cambodia's two international port. The port commercial zone covered from Phnom Penh to lower Mekong River (Neak Leoung) and Phnom Penh to upper Mekong River (Tonle Bet) in accordance to the sub-decree number 01 dated 5th January 2009. PPAP has two function as a port operation and port authority. *Please refer to Section 1.2 of this Second Quarter 2021 report for further information.*

The container throughput of PPAP in the second quarter 2021 has increased 7,904 TEUs or 12.90% compared to the second quarter 2020. For vessels in the second quarter 2021 increased by 24 units or 4.71% compared to the second quarter 2020. However, ship (voyage) in the second quarter 2021 is 0% compared to the second quarter 2020. On the other hand, general cargo in second quarter 2021 has also increased 25,932 TONs or 15.67 % compared to second quarter 2020.

The following discussion and analysis of PPAP's top management on the financial position and result of operation is conducted base on the audited financial report for Second Quarter ended 30 June 2020 and 2021 as *set out in Section 3 of this Second Quarter Report.*

PPAP has four main revenue source:

1. **Stevedoring:** refer to revenue from the service of loading or discharging goods/containers into/from vessel and moving cargo from quay to container yard and vice versa.
2. **Lift On/Lift off (LOLO):** refer to revenue from service of loading or discharging good/containers from container yard to truck and vice versa.
3. **Port Due & Charge:** refer to revenue from maritime service and berthing service which include tonnage due, berthing due, channeling due, pilotage fee, tug boat fee, mooring/unmooring fee, open/close vessel's hatch fee, and cleaning service for vessel.
4. **Storage Fee:** refer to revenue from storage of goods/containers in the container yards or warehouse. General cargos are exempted from stroage fee for 5 days for both import and export cargos, and container cargos as exempted from storage fee for 5 days for export cargos and 7 days for import cargos.

1. Revenue Analysis

1.1 Revenue analysis

For the Second Quarter ended 30 June 2021 compared to Second Quarter ended 30 June 2020

Description	2 nd Quarter for the Period Ended 30 June 2021		2 nd Quarter for the Period Ended 30 June 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Port operation	5,713,603	23,239,179	5,127,909	20,964,621	585,694	11.42%	2,274,558	10.85%
Port authority	779,880	3,172,192	733,194	3,000,906	46,686	6.37%	171,286	5.71%
Other revenue	136,458	554,740	16,659	69,111	119,799	719.12%	485,629	702.68%
Total:	<u>6,629,941</u>	<u>26,966,111</u>	<u>5,877,762</u>	<u>24,034,638</u>	<u>752,179</u>	<u>12.80%</u>	<u>2,931,473</u>	<u>12.20%</u>

Total revenue increased by KHR 2,931,473 (USD 752,179) or 12.20% from KHR 24,034,638,000 (USD 5,877,762) in the second quarter 2020 to KHR 26,966,111,000 (USD 6,629,941) in the second quarter 2021. This increase in revenue is due to the increase of revenue from port operation and port authority such as stevedoring, lift on lift off (LOLO) and port dues and charges.

1.2 Revenue by segment analysis

For the Second Quarter ended 30 June 2021 compared to Second Quarter ended 30 June 2020

Description	2 nd Quarter for the Period Ended 30 June 2021		2 nd Quarter for the Period Ended 30 June 2020	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	11,492,728	42.62%	10,822,576	45.03%
Lift On Lift Off (LOLO)	9,570,199	35.49%	8,726,525	36.31%
Port dues and charges	3,172,192	11.76%	3,000,906	12.49%
Gate fees	749,642	2.78%	602,682	2.51%
Storage fees	970,517	3.60%	517,213	2.15%
Weighting fee	8,232	0.03%	2,689	0.01%
Stuffing/Unstuffing	25,186	0.09%	23,946	0.10%
Trucking fee	422,675	1.57%	268,990	1.12%
Logistic services	464,346	1.72%	-	0.00%
Sand dredging management fee	78,205	0.29%	69,111	0.29%
Survey service	12,189	0.05%	-	0.00%
Total:	26,966,111	100.00%	24,034,638	100.00%

For the second quarter 2021, PPAP has increased in 3 main revenue which represent 90% of total revenue from operation and services. Those revenue included stevedoring, lift on lift off (LOLO) and port dues and charges

For the Second Quarter ended 30 June 2021 compared to Second Quarter ended 30 June 2020

For the second quarter 2021, 3 main revenue has increased KHR 1,685,112,000 (USD 443,060) or 7.47% compared to the second quarter 2020.

Description	2 nd Quarter for the Period Ended 30 June 2021		2 nd Quarter for the Period Ended 30 June 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Stevedoring	2,825,523	11,492,728	2,647,688	10,822,576	177,835	6.72%	670,152	6.19%
Lift On Lift Off (LOLO)	2,352,897	9,570,199	2,134,358	8,726,525	218,539	10.24%	843,674	9.67%
Port dues and charges	779,880	3,172,192	733,194	3,000,906	46,686	6.37%	171,286	5.71%

2. Gross profit margin analysis

Gross profit is presented in the statement of profit or loss of PPAP came from the total revenue from operation and services minus the cost of services (operating costs).

For the Second Quarter ended 30 June 2021 compared to Second Quarter ended 30 June 2020

Description	2 nd Quarter for the Period Ended 30 June 2021		2 nd Quarter for the Period Ended 30 June 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Revenue	6,629,941	26,966,111	5,877,762	24,034,638	752,179	12.80%	2,931,473	12.20%
Cost of Service								
Depreciation	601,764	2,447,357	563,625	2,303,138	38,139	6.77%	144,219	6.26%
Crane charge	470,896	1,915,397	523,092	2,138,904	(52,196)	-9.98%	(223,507)	-10.45%

Salaries and wage	424,706	1,727,237	382,624	1,563,948	42,082	11.00%	163,289	10.44%
Fuel and gasoline	196,838	800,666	177,370	726,297	19,468	10.98%	74,369	10.24%
Maintenance costs	285,995	1,163,445	173,519	709,296	112,476	64.82%	454,149	64.03%
Logistic costs	121,260	492,946	-	-	121,260	N/A	492,946	N/A
Others	184,529	749,900	25,049	103,072	159,480	636.67%	646,828	627.55%
Total Cost of Service	<u>2,285,988</u>	<u>9,296,948</u>	<u>1,845,279</u>	<u>7,544,655</u>	440,709	23.88%	1,752,293	<u>23.23%</u>
Gross profit	<u>4,343,953</u>	<u>17,669,163</u>	<u>4,032,483</u>	<u>16,489,983</u>	<u>311,470</u>	<u>7.72%</u>	<u>1,179,180</u>	<u>7.15%</u>
Gross Profit Margin	65.52%	65.52%	68.61%	68.61%				

- Gross Profit Margin Analysis

Gross Profit Margin decreased by 3.09% from 68.61% in the second quarter 2020 to 65.52% in the second quarter 2021. The decrease is mainly due to the increase of total revenue by KHR 2,931,473,000 (USD 752,179) or 12.20%. However, the total Cost of Service for second quarter 2021 increased by KHR 1,752,293,000 (USD 440,709) or 23.23% compared to the second quarter 2020 due to the slightly increase of Cost of Service from maintenance costs, depreciation, and fuel and gasoline.

3. Profit before tax analysis

Profit before income tax derived from gross profit plus other income, minus general administration and selling expenses and finance costs.

For the Second Quarter ended 30 June 2021 compared to the Second Quarter ended 30 June 2020

Description	2 nd Quarter for the Period Ended 30 June 2021		2 nd Quarter for the Period Ended 30 June 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Gross profit	4,343,953	17,669,163	4,032,483	16,489,983	311,470	7.72%	1,179,180	7.15%
Other income	559,738	2,278,029	616,632	2,520,276	(56,894)	-9.23%	(242,247)	-9.61%
General administration and selling expenses								
Salaries and other benefits	1,081,699	4,398,805	1,070,050	4,372,100	11,649	1.09%	26,705	0.61%
Donation expenses	92,255	374,986	102,046	416,388	(9,791)	-9.59%	(41,402)	-9.94%
Utilities and fuel	133,748	543,896	122,002	498,505	11,746	9.63%	45,391	9.11%
Depreciation	174,931	711,449	112,959	461,565	61,972	54.86%	249,884	54.14%
Repairs and maintenance	54,330	220,837	27,955	114,366	26,375	94.35%	106,471	93.10%
Business entertainments	17,483	71,148	15,854	65,073	1,629	10.28%	6,075	9.34%
Travelling expenses	17,785	72,318	17,644	72,067	141	0.80%	251	0.35%
Professional fee	5,338	21,718	11,301	46,172	(5,963)	-52.77%	(24,454)	-52.96%
Board of Directors' fee	62,009	252,191	61,087	249,770	922	1.51%	2,421	0.97%
Office supplies	40,335	164,030	-	-	40,335	N/A	164,030	N/A

Communication expenses	18,795	76,424	17,371	70,975	1,424	8.20%	5,449	7.68%
Other tax expenses	29,321	119,837	90,311	370,233	(60,990)	-67.53%	(250,396)	-67.63%
Others	41,144	167,221	6,764	32,078	34,380	508.28%	135,143	421.29%
Impairment loss on receivables	134,925	548,200	82,752	337,824	52,173	63.05%	210,376	62.27%
Total general administration and selling expenses	1,904,098	7,743,060	1,738,096	7,107,116	166,002	9.55%	635,944	8.95%
Operating profit	<u>2,999,593</u>	<u>12,204,132</u>	<u>2,911,019</u>	<u>11,903,143</u>	<u>88,574</u>	<u>3.04%</u>	<u>300,989</u>	<u>2.53%</u>
Finance costs	(286,678)	(1,165,897)	(277,756)	(1,135,180)	(8,922)	3.21%	(30,717)	2.71%
Profit before income tax	<u>2,712,915</u>	<u>11,038,235</u>	<u>2,633,263</u>	<u>10,767,963</u>	<u>79,652</u>	<u>3.02%</u>	<u>270,272</u>	<u>2.51%</u>

For the second quarter 2021 General and Administrative expenses increased by KHR 635,944,000 (USD 166,002) or 8.95% compared to the second quarter 2020.

4. Profit after tax analysis

PPAP is subject to the Law on Commercial Enterprise for taxation sector and value added tax (VAT), thus PPAP has the obligation to pay tax at 20% of taxable profit. However, from 2019 onward PPAP will have obligation to pay tax as normal after received 50% reduction on the tax on profit for three years (from 2016 to 2018).

For the Second Quarter ended 30 June 2021 compared to the Second Quarter ended 30 June 2020

Description	2 nd Quarter for the Period Ended 30 June 2021		2 nd Quarter for the Period Ended 30 June 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Profit before income tax (a)	2,712,915	11,038,235	2,633,263	10,767,963	79,652	3.02%	270,272	2.51%
Income tax expense (b)	(585,569)	(2,381,055)	(558,087)	(2,282,688)	(27,482)	4.92%	(98,367)	4.31%

Net profit for the year	2,127,346	8,657,180	2,075,176	8,485,275	52,170	2.51%	171,905	2.03%
Other comprehensive income	2,114,946	8,606,796	2,079,108	8,501,367	35,838	1.72%	105,429	1.24%
Effective tax rate (b)/(a)	-21.58%	-21.57%	-21.19%	-21.20%				

PPAP earns profit after tax KHR 8,657,180,000 (USD 2,127,346) in the second quarter 2021 and KHR 8,485,275,000 (USD 2,075,176) in the second quarter 2020, representing an increase of KHR 171,905,000 (USD 52,170) or 2.03%. The increase of effective tax rate of 0.37% from 21.20% in the second quarter 2020 to 21.57% in the second quarter 2021, due to the increased income tax expense KHR 98,367,000 (USD 27,482) or 4.31%.

5. Factors and trends analysis affecting financial conditions and results

5.1. Level of regional, global trade and globalization

The financial condition and results of PPAP are dependent on throughput volumes and transshipment activity at ports. There rely heavily on the domestic, and global trade volume as well as the regional export and import. These may be significantly affected by the changes in regional and global economic, financial and political condition that are beyond PAPP's control.







5.2. Capacity at the Container Terminal LM17

The main handling operation is conducted at the Container Terminal LM17. PPAP has container cargo handling capacity of approximately 290,857 TEUs annually as at 31st December, 2020. In order to accommodate this increase, PPAP has plan to finish the Phase III of port infrastructure project which will increase its capacity more 200,000 TEUs/year of the handling capacity at Container terminal LM17.

Description	Output				
	2017	2018	2019	2020	Planning 2021
Container Terminal LM17 (TEUs)	184,805	213,571	281,045	290,857	321,066

5.3. Operation Efficiency

In order to increase the efficiency of operation, PPAP seeks to reduce its costs and achieve optimal operating efficiency by utilizing its existing resources and install the modern equipment and handling machinery. PPAP, therefore, has the following methods to increase the efficiency of operation:

-  Continue introducing new handling machinery in order to speed up the process of cargo handling and reduce wait time cause by the malfunction of machinery.
-  Improving capability of operation by providing employee training.
-  Expand the terminal in order to ensure that vessels are quickly and efficiently transport cargo to and from PPAP.
-  Utilizing external depot to increase the container storage capacity at LM17 such as the ICD depot, KM6 Terminal, Multipurpose Terminal TS3, and Mekong Sentosa Logistic (MSL).
-  Efficiently managing the container yard by reducing the duration of storage of container at the container yard.
-  Efficiently utilizing the terminal by formulating a clear the berthing plan.

5.4. Price

In order to retain existing customers and attract more new customers, PPAP Has offered favorable tariffs on cruise ships, cruise ships, retail and container ships and other types of freight

vessels. PPAP also offers preferential prices for both freight services at both inside and outside of the container terminal. In addition to the preferential shipping costs, PPAP also offers preferential package prices for container service (Stevedore) to all container carriers based on the volume of containers that are shipped. This means that if the container carrier of any company shipping more containers will receive a much higher discount.

5.5. Connection to Feeder Port

The connection to feeder port plays an important role when Transport Company selecting a port to transport cargo. Efficient connectivity enable shipper to reduce shipping time. Efficient transportation between feeder-ports depend on the service of other feeder port that managing the flow of transportation. PPAP’s location in Phnom Penh Capital is advantageous in consolidating cargo for waterway transshipment.

5.6. Depreciation

Depreciation arise from the depreciated of property, plant and equipment of PPAP such as quay, storage facilities, and handling machinery. The useful lives is estimated on key assets such as harbours and building (10-50 years), plants and machinery (10-15 years), furniture and fixtures (5 years), computer (5-15years), office equipment and others (5-15 years), moto vehicles (8-15 years). Depreciation method, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

B- Significant factors affecting profit

1. Demand and supply conditions analysis

Cargo volume of PPAP is directly related to the national, Regional and Global Economy. PPAP must conduct analysis on the economy and trade in order to recognize the trend of increase or decline in the demand of transportation. It is the base for a timely response on the matters as well as creating proper investment plan on the port insfrastructure and machinery. It can avert losses on the expenditure of capital by avoiding excessive investment over the demand of transporation.

2. Fluctuation in prices of cost of service analysis

Maintaining competitiveness in the market is an important factors for the long-term growth of PPAP which include the quality and price of service provided. To ensure quality and competitiveness of our service, PPAP focus on the management of some operating expense as below:

2.1. Staff salaries and other benefits

A large portion of the company’s expense is related to staff salaries and other benefits, which is **22.72%** (6.41% from operation staff and 16.31 % from administration staff and other benefits) of total revenue in the second quarter 2021 which recorded in Cost of Services and General Administration Expense. However, PPAP have plan which arrange appropriate human resource

according to the scope of work and pay salaries base on the number of container throughput (TEU) in order to ensure that staff cost will not significantly affect our profit.

2.2. Crane Charge

Another large portion of cost of service is crane charges which is 7.10% of total revenue in the second quarter 2021. PPAP has signed contract with three business partner in using the Traveling Cargo Crane to provide the handling service. According to the contracts, the percentage of revenue sharing to the business partners drop to 80% after 3 to 4 years of operation. PPAP expect that crane charge will increase as the number of container throughput is also expected to increase. However, crane charge will not significantly affect our profit because the increase in container throughput also lead to the increase in revenue. Table below shows the revenue sharing scheme with the business partners:

Crane Owner	Crane Name	Unit	Capacity (Ton)	% of Revenue To Crane Owner	% of Revenue To PPAP	Date
Sovereign	Floating Crane 1	1	80	80%	20%	01/02/2021-31/01/2022
	Floating Crane 2	1	60	80%	20%	
Jeong Myeong International Co.,Ltd	Traveling Cargo Crane 1	1	41	90%	10%	01/01/2013-31/12/2013
				85%	15%	01/01/2014-31/12/2014
				80%	20%	01/01/2015-31/12/2024

* Sung Kwang Co.,Ltd have changed company name to *Jeong Myeong International Co., Ltd.*

3. Tax analysis

PPAP is subject to the Law on Commercial Enterprise for matter of taxation. PPAP has an obligation to pay tax as stipulated in the laws and regulation in force. The General Department of Taxation require PPAP to pay tax under the real regime tax system and is a large taxpayer.

3.1. Tax on profit

PPAP has the obligation to pay tax at 20% of taxable profit by preparing tax, by preparing tax on a monthly basis based on 1% of monthly turnover. This prepayment tax of 1% turnover will be settled with the payment of 20% profit tax at the end of fiscal year. PPAP's share was officially listed on the 9th of December 2015. According to Anukret No.01 ANK.BK dated on the 8th of January 2015 on Tax Incentive in Securities Sector, Listed enterprise will received 50% reduction on the tax on profit for three year from the date of the Anukret enforce. Therefore, from 2019 onward PPAP will not received Tax Incentive in Securities Sector, thus PPAP will have obligation to pay tax as normal.

3.2. Value added tax (VAT)

PPAP is a VAT registered company. PPAP has to charge VAT of 10% on invoice amount when

issuing invoice to its customers. This tax is collected for the government as an output VAT. This output VAT is settled with the 10% input VAT that PPAP has to pay to its supplier when making purchase.

3.3. Tax withheld on Interest Income

PPAP has an obligation to pay withholding tax on interest income at the rate of 4% on deposit and 6% on fixed deposit. PPAP has fixed deposit at the Foreign Trade Bank (FTB) and Advanced Bank of Asia (ABA).

3.4. Import Tax

PPAP has an obligation to pay import tax on materials and raw materials at rates ranging from 7% to 35%, depending on the type of goods, as determined by the General Department of Customs and Excise. According to the Project of Port infrastructure at LM17 in 2021, PPAP will import additional container handling equipment. As such, the expense on import tax will rise.

C- Material changes in sales and revenue

The main revenue from PPAP are from handling container cargo service such as Stevedor, LOLO and Port Due & Charge which represent more than **90%** of the total revenue in the second quarter 2020. This revenue increase mainly contributed by the increase of container throughput and number of vessel which mainly due the growth of construction of industry and other commercial industries such as textile, apparel & footwear manufacturing industry. Moreover, the opening of Cap Mei Hub Port in Vietnam also contribute to the increase of container throughput from our terminals as it provide a more direct and faster route to East pacific country and U.S West.

D- Impact of exchange rate, interest rate and commodity prices

1. Impact of Exchange Rate

PPAP maintain its accounting record in USD which is its functional currency because most of the revenue from the business is USD currency. In addition, most of the payment on machinery maintaining, fuel and gasoline, and other expense is also in USD currency except salary and tax expense. Therefore, the impact from exchange rate is minimum for PPAP.

2. Impact of Interest Rate

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of PPAP would fluctuate because of changes in market interest rates.

The exposure of PPAP to interest rate risk arises primarily from fixed deposits. PPAP manages its interest rate exposure by closely monitoring the market interest rate. PPAP does not use derivative financial instruments to hedge any debt obligations.

3. Impact of Flunctuation of Gasoline Price

The operation of PPAP depend heavily on the machinery which require high consumption of gasoline. The flunctuation of gasoline price will impact on the cost of service. Hence, PPAP is work to improve our operation by efficient management of container yard which can lead to the reduction of gasoline usage, reduction in unnecessary movement of machinery. Therefore, PPAP equipped with modern marchinery in lifting by substitute to electicity base machinery.

E- Impact on Inflation

Increase in inflation rate may impact the expenditure and investment of the company because of the increase in price of commodity, thus diminish in purchasing power. According to Worldbank.org, the Cambodia inflation rate is averaging 3.1% in year 2021 which we believe that it will not materially impact our financial position and operation of PPAP.

F- Governmental/ Economic/ Fiscal/ Monetary Policy of Royal Government

PPAP is benefiting from the some of the government policy as the following:

- ❖ Rice Export policy of Cambodia is showing positive effect by increasing the export of rice via PPAP.
- ❖ The government policy which exempt the import tax on agriculture equipment/machinery which encourage investment in agriculture sector.
- ❖ The government's effort to establish quota or exemption with trade-partner country encourages high volume of export.
- ❖ The establishment of Special Economic Zone and Bonded Warehouse attracted direct investment from foreign country.
- ❖ Cambodia Development Industrial Policy 2015 – 2025 is attracting investment in Cambodia and large entriprise as well as some small and medium size enterprise.
- ❖ Government policy to encourage waterway transportation.
- ❖ The National Bank of Cambodia continued the adoption of tight monetary policy and managed floating exchange rate system. It has boosted public confidence in the macroeconomic environment of Cambodia and facilitated the private sector in carrying out business.

The tax incentive in securities sectors which provided to the listed enterprise in Cambodia is encouraging more private and public enterprise to goes IPO. This will contributed to the development of Cambodia economy.

Part 5

Other Necessary Information for Investor Protection

For the 2nd Quarter of 2021, PPAP has necessary information for the investor protection as follow:

- Reviewed and discussed on the request for cooperation with the private company on the development of PPAP's sub-terminals: the case of the development of TS11 Multi-Purpose Sub-Terminal at KM6
- Reviewed and approved on the management of all PPAP's sub-terminals to be managed by Deputy Director General of Business/Operation
- Acknowledged the progress of the expansion of LM17 Container Terminal, Phase 3, Step 1.

Signature of Board of Director of PPAP

13th August, 2021 Read and

Approved

Soun Rachana

Signature

Soun Rachana

Member

(Rep. Of Ministry of Public Works and Transport)

13th August, 2021 Read and

Approved

Dith Sochal

Signature

Dith Sochal

Member

(Non-Executive Director, Rep. of Private Shareholder)



អាសយដ្ឋាន / Address

ចំណតផ្ទុកគំនុំ LM១៧ / Container Terminal LM17

ភូមិកណ្តាលលើ ឃុំបន្ទាយដែក ស្រុកកៀនស្វាយ ខេត្តកណ្តាល
Kandal Leu Village, Bantey Dek Commune,
Kien Svay District, Kandal Province.

ចំណតផ្ទុកគំនុំ TS៣ / Container Terminal TS3

#៦៤៩ តិរៈវិថីព្រះស៊ីសុវត្ថិ សង្កាត់ស្រះចក ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ
#649, Street 1 (Preah Sisowath), Sras Chork Commune,
Daun Penh District, Phnom Penh City.

ចំណតផ្ទេរអ្នកដំណើរ និងទេសចរ TS១ / Passenger and Tourist Terminal TS1

តិរៈវិថីព្រះស៊ីសុវត្ថិ សង្កាត់វត្តភ្នំ ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ
Street 1 (Preah Sisowath), Wat Phnom Commune,
Daun Penh District, Phnom Penh City.

ចំណតផ្ទុកគំនុំចម្រុះកោះរកា / Multipurpose Terminal Koh Roka

ភូមិកោះរកា ឃុំកោះរកា ស្រុកពាមជរ ខេត្តព្រៃវែង
Koh Roka Village, Koh Roka Commune,
Peam Chor District, Prey Veng Province.

ចំណតផ្ទុកគំនុំតូនឺបេត UM២ / Tonle Bet Port UM2

ភូមិទន្លេបិទ ឃុំទន្លេបិទ ស្រុកត្បូងឃ្មុំ ខេត្តត្បូងឃ្មុំ
Tonle Bet Village, Tonle Bet Commune,
Thbong Khmoum District, Thbong Khmoum Province.

មជ្ឈមណ្ឌលពាណិជ្ជកម្មប្រៀបយ៉ាង / Triumph Commercial Center

ភូមិបឹងសាឡាង សង្កាត់បួស្សីកែវ ខណ្ឌបួស្សីកែវ រាជធានីភ្នំពេញ
Boeung Salang Village, Reusseykeo Commune
Reusseykeo District, Phnom Penh City.

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